

State: Arkansas **Filing Company:** American United Life Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
Product Name: Group Lump Sum Disability
Project Name/Number: /

Filing at a Glance

Company: American United Life Insurance Company
Product Name: Group Lump Sum Disability
State: Arkansas
TOI: H11G Group Health - Disability Income
Sub-TOI: H11G.004 Other
Filing Type: Form
Date Submitted: 01/08/2013
SERFF Tr Num: AULD-128839335
SERFF Status: Closed-Approved
State Tr Num:
State Status: Approved-Closed
Co Tr Num: GROUP LUMP SUM DISABILITY

Implementation: On Approval
Date Requested:
Author(s): Angie Neville, Danita Ragland-Hatton, Cathy Strong
Reviewer(s): Donna Lambert (primary)
Disposition Date: 01/17/2013
Disposition Status: Approved
Implementation Date:

State Filing Description:

State: Arkansas **Filing Company:** American United Life Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
Product Name: Group Lump Sum Disability
Project Name/Number: /

General Information

Project Name: Status of Filing in Domicile: Authorized
 Project Number: Date Approved in Domicile: 06/06/2012
 Requested Filing Mode: Review & Approval Domicile Status Comments:
 Explanation for Combination/Other: Market Type: Group
 Submission Type: New Submission Group Market Size: Small and Large
 Group Market Type: Employer Overall Rate Impact:
 Filing Status Changed: 01/17/2013
 State Status Changed: 01/17/2013 Deemer Date:
 Created By: Angie Neville Submitted By: Angie Neville
 Corresponding Filing Tracking Number:

Filing Description:
 Group Lump Sum Disability

Company and Contact

Filing Contact Information

Cathy Strong, Sr. Contract Analyst Cathy.Strong@OneAmerica.com
 One American Square 317-285-1943 [Phone]
 Indianapolis, IN 46206 317-285-5510 [FAX]

Filing Company Information

American United Life Insurance CoCode: 60895 State of Domicile: Indiana
 Company Group Code: 619 Company Type:
 One American Square Group Name: State ID Number:
 P.O. Box 7127 FEIN Number: 35-0145825
 Indianapolis, IN 46206
 (877) 285-7660 ext. [Phone]

Filing Fees

Fee Required? Yes
 Fee Amount: \$1,000.00
 Retaliatory? Yes
 Fee Explanation: \$35 per form, capped at \$1000.
 Per Company: No

Company	Amount	Date Processed	Transaction #
American United Life Insurance Company	\$1,000.00	01/08/2013	66329353

State: Arkansas
 TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
 Product Name: Group Lump Sum Disability
 Project Name/Number: /

Filing Company: American United Life Insurance Company

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Donna Lambert	01/17/2013	01/17/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Donna Lambert	01/16/2013	01/16/2013
Pending Industry Response	Donna Lambert	01/16/2013	01/16/2013

Response Letters

Responded By	Created On	Date Submitted
Angie Neville	01/17/2013	01/17/2013
Angie Neville	01/17/2013	01/17/2013

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	insert page	Angie Neville	01/10/2013	01/10/2013
Form	insert page	Angie Neville	01/10/2013	01/10/2013
Supporting Document	Statement of Variables	Angie Neville	01/10/2013	01/10/2013

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Binding Arbitration	Note To Filer	Donna Lambert	01/16/2013	01/16/2013

State: Arkansas
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
Product Name: Group Lump Sum Disability
Filing Company: American United Life Insurance Company
Project Name/Number: /

Disposition

Disposition Date: 01/17/2013

Implementation Date:

Status: Approved

Comment: Thank you for your clear explanation in response to the objections.

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American United Life Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved	Yes
Supporting Document	Application	Approved	Yes
Supporting Document	Actuarial memo	Approved	Yes
Supporting Document (revised)	Statement of Variables	Approved	Yes
Supporting Document	Statement of Variables	Replaced	Yes
Supporting Document	Cover letter and forms list	Approved	Yes
Supporting Document	Complete policy and certificate	Approved	Yes
Supporting Document	Response letter	Approved	Yes
Form	insert page of policy	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

Project Name/Number:

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Schedule	Schedule Item	Schedule Item Status	Public Access
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
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Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form (revised)	insert page	Approved	Yes
Form	insert page	Replaced	Yes
Form	insert page	Approved	Yes

SERFF Tracking #:

AULD-128839335

State Tracking #:

Company Tracking #:

GROUP LUMP SUM DISABILITY

State:

Arkansas

Filing Company:

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TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

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Group Lump Sum Disability

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Schedule	Schedule Item	Schedule Item Status	Public Access
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Form	insert page	Approved	Yes
Rate	Rate Manual	Approved	Yes

State: Arkansas **Filing Company:** American United Life Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
Product Name: Group Lump Sum Disability
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	01/16/2013
Submitted Date	01/16/2013
Respond By Date	02/18/2013

Dear Cathy Strong,

Introduction:

Objection 1

- insert page, GC 3702.6-4(04) (Form)

Comments: Will this certificate provide benefits to and insured's spouse and/or children?

Objection 2

- insert page, GC 3702.14 (Form)

Comments: Please explain the Recurrent Return to Work Period provision.

Conclusion:

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

Sincerely,

Donna Lambert

State: Arkansas **Filing Company:** American United Life Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
Product Name: Group Lump Sum Disability
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	01/16/2013
Submitted Date	01/16/2013
Respond By Date	02/18/2013

Dear Cathy Strong,

Introduction:

This will acknowledge receipt of the captioned filing.

Objection 1

- insert page, G 3702.14 (Form)

Comments: Will you please explain the Recurrent Return to Work Period provision? If this is a one-time payment policy upon the Person's being found Totally and Permanently Disabled, wouldn't the benefit have been paid before his subsequent return to work?

Conclusion:

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

Sincerely,

Donna Lambert

State: Arkansas Filing Company: American United Life Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
Product Name: Group Lump Sum Disability
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
Response Letter Date 01/17/2013
Submitted Date 01/17/2013

Dear Donna Lambert,

Introduction:

Thank you for your review.

Response 1

Comments:

I've attached the response letter in your first objection.

Related Objection 1

Applies To:

- insert page, GC 3702.6-4(04) (Form)

Comments: Will this certificate provide benefits to and insured's spouse and/or children?

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 2

Comments:

Thanks, Angie Neville

Related Objection 2

Applies To:

- insert page, GC 3702.14 (Form)

Comments: Please explain the Recurrent Return to Work Period provision.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Angie Neville

State: Arkansas
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
Product Name: Group Lump Sum Disability
Filing Company: American United Life Insurance Company
Project Name/Number: /

Response Letter

Response Letter Status Submitted to State
 Response Letter Date 01/17/2013
 Submitted Date 01/17/2013

Dear Donna Lambert,

Introduction:

Thank you for your review.

Response 1

Comments:

Attached is our response letter.

Related Objection 1

Applies To:

- insert page, G 3702.14 (Form)

Comments: Will you please explain the Recurrent Return to Work Period provision? If this is a one-time payment policy upon the Person's being found Totally and Permanently Disabled, wouldn't the benefit have been paid before his subsequent return to work?

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response letter
Comments:	
Attachment(s):	
Response Letter- 1-17-13.pdf	

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you, Angie Neville

Sincerely,

Angie Neville

State: Arkansas
 TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
 Product Name: Group Lump Sum Disability
 Project Name/Number: /

Filing Company: American United Life Insurance Company

Amendment Letter

Submitted Date: 01/10/2013

Comments:

Removed discretionary language in pages G 3702.11 and GC 3702.11.

Changed Items:

Form Schedule Item Changes:

Form Schedule Item Changes								
Item No.	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	insert page	G 3702.11	POLA	Initial			Forms 1.pdf	Date Submitted: 01/10/2013 By:
<i>Previous Version</i>								
1	<i>insert page</i>	<i>G 3702.11</i>	<i>POLA</i>	<i>Initial</i>			<i>G 3702.11.pdf</i>	<i>Date Submitted: 01/08/2013 By: Angie Neville</i>
2	insert page	GC 3702.11	CERA	Initial			Forms 2.pdf	Date Submitted: 01/10/2013 By:
<i>Previous Version</i>								
2	<i>insert page</i>	<i>GC 3702.11</i>	<i>CERA</i>	<i>Initial</i>			<i>GC 3702.11.pdf</i>	<i>Date Submitted: 01/08/2013 By: Angie Neville</i>

No Rate Schedule Items Changed.

SERFF Tracking #:

AULD-128839335

State Tracking #:

Company Tracking #:

GROUP LUMP SUM DISABILITY

State:

Arkansas

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American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

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/

Supporting Document Schedule Item Changes

Satisfied - Item:

Statement of Variables

Comments:

Attachment(s):

AR Statement of Variables - 1-8-13.pdf

Previous Version

Satisfied - Item:

Statement of Variables

Comments:

Attachment(s):

AR Statement of Variables - 1-8-13.pdf

State: Arkansas **Filing Company:** American United Life Insurance Company
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
Product Name: Group Lump Sum Disability
Project Name/Number: /

Note To Filer

Created By:

Donna Lambert on 01/16/2013 03:30 PM

Last Edited By:

Donna Lambert

Submitted On:

01/17/2013 10:32 AM

Subject:

Binding Arbitration

Comments:

Please note that AR does not allow binding arbitration. I see the arbitration provision is in brackets, but I wanted to point this out.

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

Project Name/Number:

/

Form Schedule

Lead Form Number: G 3702								
Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1	Approved 01/15/2013	insert page of policy	G 3702	POLA	Initial		50.200	G 3702.pdf
2	Approved 01/15/2013	insert page	G 3702.1	POLA	Initial			G 3702.1.pdf
3	Approved 01/15/2013	insert page	G 3702.2	POLA	Initial			G 3702.2.pdf
4	Approved 01/15/2013	insert page	G 3702.3	POLA	Initial			G 3702.3.pdf
5	Approved 01/15/2013	insert page	G 3702.3/1	POLA	Initial			Lump Sum Disability Direct Policy - 1-8-13 _AR_ 9.pdf
6	Approved 01/15/2013	insert page	G 3702.3/2	POLA	Initial			Lump Sum Disability Direct Policy - 1-8-13 _AR_ 10.pdf
7	Approved 01/16/2013	insert page	G 3702.3/3	POLA	Initial			G 3702.3#3.pdf
8	Approved 01/16/2013	insert page	G 3702.3/4(04)	POLA	Initial			Lump Sum Disability Direct Policy - 1-8-13 _AR_ 12.pdf
9	Approved 01/16/2013	insert page	G 3702.4	POLA	Initial			G 3702.4.pdf

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

Project Name/Number:

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Lead Form Number: G 3702

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
10	Approved 01/16/2013	insert page	G 3702.4-1	POLA	Initial			G 3702.4-1.pdf
11	Approved 01/16/2013	insert page	G 3702.4-1/1	POLA	Initial			G 3702.4-1#1.pdf
12	Approved 01/16/2013	insert page	G 3702.5	POLA	Initial			G 3702.5.pdf
13	Approved 01/16/2013	insert page	G 3702.5/1	POLA	Initial			G 3702.5#1.pdf
14	Approved 01/16/2013	insert page	G 3702.6	POLA	Initial			G 3702.6.pdf
15	Approved 01/16/2013	insert page	G 3702.6-1	POLA	Initial			G 3702.6-1.pdf
16	Approved 01/16/2013	insert page	G 3702.6-2	POLA	Initial			G 3702.6-2.pdf
17	Approved 01/16/2013	insert page	G 3702.6-3/1	POLA	Initial			G 3702.6-3#1.pdf
18	Approved 01/16/2013	insert page	G 3702.6-3	POLA	Initial			G 3702.6-3.pdf
19	Approved 01/16/2013	insert page	G 3702.6-4(04)	POLA	Initial			Lump Sum Disability Direct Policy - 1-8-13 _AR_ 24.pdf
20	Approved 01/16/2013	insert page	G 3702.7	POLA	Initial			G 3702.7.pdf

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

Project Name/Number:

/

Lead Form Number: G 3702

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
21	Approved 01/16/2013	insert page	G 3702.6/1	POLA	Initial			G 3702.6#1.pdf
22	Approved 01/16/2013	insert page	G 3702.8	POLA	Initial			Lump Sum Disability Direct Policy - 1-8-13 _AR_ 26.pdf
23	Approved 01/16/2013	insert page	G 3702.8/1	POLA	Initial			G 3702.8#1.pdf
24	Approved 01/16/2013	insert page	G 3702.9	POLA	Initial			G 3702.9.pdf
25	Approved 01/16/2013	insert page	G 3702.9-1	POLA	Initial			G 3702.9-1.pdf
26	Approved 01/16/2013	insert page	G 3702.9-2	POLA	Initial			G 3702.9-2.pdf
27	Approved 01/16/2013	insert page	G 3702.10	POLA	Initial			G 3702.10.pdf
28	Approved 01/16/2013	insert page	G 3702.11	POLA	Initial			Forms 1.pdf
29	Approved 01/16/2013	insert page	G 3702.12	POLA	Initial			G 3702.12.pdf
30	Approved 01/16/2013	insert page	G 3702.12/1	POLA	Initial			G 3702.12#1.pdf

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

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Lead Form Number: G 3702

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
31	Approved 01/16/2013	insert page	G 3702.13	POLA	Initial			Lump Sum Disability Direct Policy - 1-8-13 _AR_ 35.pdf
32	Approved 01/16/2013	insert page	G 3702.13-1	POLA	Initial			G 3702.13-1.pdf
33	Approved 01/16/2013	insert page	G 3702.13-2	POLA	Initial			G 3702.13-2.pdf
34	Approved 01/17/2013	insert page	G 3702.14	POLA	Initial			G 3702.14.pdf
35	Approved 01/16/2013	insert page	G 3702.14/1	POLA	Initial			G 3702.14#1.pdf
36	Approved 01/16/2013	insert page	G 3702.15	POLA	Initial			G 3702.15.pdf
37	Approved 01/16/2013	insert page	G 3702.15/1	POLA	Initial			G 3702.15#1.pdf
38	Approved 01/16/2013	insert page	G 3702.16	POLA	Initial			G 3702.16.pdf
39	Approved 01/16/2013	insert page	G 3702.17	POLA	Initial			Lump Sum Disability Direct Policy - 1-8-13 _AR_ 43.pdf

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

Project Name/Number:

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Lead Form Number: G 3702

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
40	Approved 01/16/2013	insert page	G 3702.18(04)	POLA	Initial			Lump Sum Disability Direct Policy - 1-8-13 _AR_ 44.pdf
41	Approved 01/16/2013	insert page	G 3702.18/1	POLA	Initial			G 3702.18#1.pdf
42	Approved 01/16/2013	insert page	G 3702.19	POLA	Initial			G 3702.19.pdf
43	Approved 01/16/2013	insert page	GC 3702(04)	CERA	Initial		50.200	Lump Sum Disability Direct Certificate - 1-8-13 _AR_ 1.pdf
44	Approved 01/16/2013	insert page	GC 3702NN(04)	CERA	Initial			Lump Sum Disability Direct Certificate - 1-8-13 _AR_ 2.pdf
45	Approved 01/16/2013	insert page	GC 3702.1	CERA	Initial			GC 3702.1.pdf
46	Approved 01/16/2013	insert page	GC 3702.2	CERA	Initial			GC 3702.2.pdf
47	Approved 01/16/2013	insert page	GC 3702.3	CERA	Initial			GC 3702.3.pdf

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

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Lead Form Number: G 3702

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
48	Approved 01/16/2013	insert page	GC 3702.3/1	CERA	Initial			Lump Sum Disability Direct Certificate - 1-8-13 _AR_ 10.pdf
49	Approved 01/16/2013	insert page	GC 3702.3/2	CERA	Initial			Lump Sum Disability Direct Certificate - 1-8-13 _AR_ 11.pdf
50	Approved 01/16/2013	insert page	GC 3702.3/3	CERA	Initial			GC 3702.3#3.pdf
51	Approved 01/16/2013	insert page	GC 3702.3/4(04)	CERA	Initial			Lump Sum Disability Direct Certificate - 1-8-13 _AR_ 13.pdf
52	Approved 01/16/2013	insert page	GC 3702.4	CERA	Initial			GC 3702.4.pdf
53	Approved 01/16/2013	insert page	GC 3702.4- 1	CERA	Initial			GC 3702.4-1.pdf
54	Approved 01/16/2013	insert page	GC 3702.4- 1/1	CERA	Initial			GC 3702.4-1#1.pdf
55	Approved 01/16/2013	insert page	GC 3702.5	CERA	Initial			GC 3702.5.pdf
56	Approved 01/16/2013	insert page	GC 3702.5/1	CERA	Initial			GC 3702.5#1.pdf

State:

Arkansas

Filing Company:

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Group Lump Sum Disability

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Lead Form Number: G 3702

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
57	Approved 01/16/2013	insert page	GC 3702.6	CERA	Initial			GC 3702.6.pdf
58	Approved 01/16/2013	insert page	GC 3702.6/1	CERA	Initial			GC 3702.6#1.pdf
59	Approved 01/16/2013	insert page	GC 3702.6- 1	CERA	Initial			GC 3702.6-1.pdf
60	Approved 01/16/2013	insert page	GC 3702.6- 2	CERA	Initial			GC 3702.6-2.pdf
61	Approved 01/16/2013	insert page	GC 3702.6- 3	CERA	Initial			GC 3702.6-3.pdf
62	Approved 01/16/2013	insert page	GC 3702.6- 3/1	CERA	Initial			GC 3702.6-3#1.pdf
63	Approved 01/17/2013	insert page	GC 3702.6- 4(04)	CERA	Initial			Lump Sum Disability Direct Certificate - 1-8-13 _AR_ 25.pdf
64	Approved 01/16/2013	insert page	GC 3702.7	CERA	Initial			GC 3702.7.pdf
65	Approved 01/16/2013	insert page	GC 3702.8	CERA	Initial			Lump Sum Disability Direct Certificate - 1-8-13 _AR_ 27.pdf
66	Approved 01/16/2013	insert page	GC 3702.8/1	CERA	Initial			GC 3702.8#1.pdf

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

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Lead Form Number: G 3702

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
67	Approved 01/16/2013	insert page	GC 3702.9	CERA	Initial			GC 3702.9.pdf
68	Approved 01/16/2013	insert page	GC 3702.9-1	CERA	Initial			GC 3702.9-1.pdf
69	Approved 01/16/2013	insert page	GC 3702.9-2	CERA	Initial			GC 3702.9-2.pdf
70	Approved 01/16/2013	insert page	GC 3702.10	CERA	Initial			GC 3702.10.pdf
71	Approved 01/16/2013	insert page	GC 3702.11	CERA	Initial			Forms 2.pdf
72	Approved 01/16/2013	insert page	GC 3702.12	CERA	Initial			GC 3702.12.pdf
73	Approved 01/16/2013	insert page	GC 3702.12/1	CERA	Initial			GC 3702.12#1.pdf
74	Approved 01/16/2013	insert page	GC 3702.13	CER	Initial			Lump Sum Disability Direct Certificate - 1-8-13_AR_36.pdf
75	Approved 01/16/2013	insert page	GC 3702.13-1	CERA	Initial			GC 3702.13-1.pdf
76	Approved 01/16/2013	insert page	GC 3702.13-2	CERA	Initial			GC 3702.13-2.pdf
77	Approved 01/17/2013	insert page	GC 3702.14	CERA	Initial			GC 3702.14.pdf

State: Arkansas
TOI/Sub-TOI: H11G Group Health - Disability Income/H11G.004 Other
Product Name: Group Lump Sum Disability
Project Name/Number: /

Filing Company: American United Life Insurance Company

Lead Form Number: G 3702

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
78	Approved 01/16/2013	insert page	GC 3702.14/1	CERA	Initial			GC 3702.14#1.pdf
79	Approved 01/16/2013	insert page	GC 3702.15	CERA	Initial			GC 3702.15.pdf
80	Approved 01/16/2013	insert page	GC 3702.15/1	CERA	Initial			GC 3702.15#1.pdf
81	Approved 01/16/2013	insert page	GC 3702.16	CERA	Initial			GC 3702.16.pdf
82	Approved 01/16/2013	insert page	GC 3702.17	CERA	Initial			Lump Sum Disability Direct Certificate - 1-8-13 _AR_ 44.pdf
83	Approved 01/16/2013	insert page	GC 3702.18(04)	CERA	Initial			Lump Sum Disability Direct Policy - 1-8-13 _AR_ 45.pdf
84	Approved 01/16/2013	insert page	GC 3702.18/1	CERA	Initial			GC 3702.18#1.pdf
85	Approved 01/16/2013	insert page	GC 3702.19	CERA	Initial			GC 3702.19.pdf

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider

SERFF Tracking #:

AULD-128839335

State Tracking #:**Company Tracking #:**

GROUP LUMP SUM DISABILITY

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

Project Name/Number:

/

DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)
MTX	Matrix	NOC	Notice of Coverage
OTH	Other	OUT	Outline of Coverage
PJK	Policy Jacket	POL	Policy/Contract/Fraternal Certificate
POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	SCH	Schedule Pages



**AMERICAN UNITED LIFE INSURANCE COMPANY®
INDIANAPOLIS, INDIANA 46206-0368**

In consideration of the Application for this policy made by:

[ABC Company]

(Hereinafter called the Policyholder)]

and of the payment of all premiums when due, American United Life Insurance Company® (AUL) agrees to insure certain individuals who are or become entitled to insurance under the terms and conditions of this policy and to pay to those insured individuals the benefits owed under this policy.

The Policy Number is [XXXXXX]. The Policyholder's Effective Date is [MM/DD/YYYY]. The first premium is due on the Effective Date of this policy. Subsequent premiums are due each succeeding Policy Month. The Policyholder's Anniversary date is [MM/DD] of each year.

The first Policy Month begins on the [first] day of [January] and ends on the [last] day of [January]. Each succeeding Policy Month runs for a similar period thereafter.

The provisions on the following pages are considered a part of this policy. This policy is executed by AUL at its Home Office in Indianapolis, Indiana and coverage takes effect on the Policyholder's Effective Date.

[By-law, Art. II, Sec. 2: The regular annual meeting of the members of this Corporation shall be held at its principal place of business on the third Thursday in February of each year at ten o'clock A.M. local time or at such other location, place, or time as may be designated by the Board of Directors. The elections of directors shall be held at the annual meeting.]

[Thomas M. Zurek
Secretary]

[Dayton Molendorp
President and
Chief Executive Officer]

LUMP SUM DISABILITY INSURANCE POLICY

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SECTION 1 - SCHEDULE OF BENEFITS

ELIGIBLE CLASS	[Full Time Participants.]
CLASS NUMBER	[001]
[Option	[01]]
REQUIREMENT FOR FULL TIME PARTICIPANTS	[[30] hours or more [per week][bi-weekly][per month][per quarter][semi-annually][annually]. See Section 3.]
	<i>OR</i>
	[[1-365 days][1-52 Weeks] or more per year. See Section 3.]
	<i>OR</i>
	[[1-365 days][1-52 Weeks] or more per year averaged over [2-52 weeks][2-365 days]. See Section 3.]
	<i>OR</i>
	[[30] hours or more [per week][bi-weekly][per month][per quarter][semi-annually][annually] averaged over [2-52 weeks][2-365 days]. See Section 3.]
BENEFIT ELIGIBILITY PERIOD	[First day following the end of the Elimination Period][6, 12, 18, 24, 30, 36] months following the Elimination Period.] See Section 2.
CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY AND MEDICAL LEAVE ACT (FMLA)	This provision is [not] included for this class. See Section 5B.
CONTINUATION OF PERSONAL INSURANCE DURING A [LEAVE OF ABSENCE] [AND] [TEMPORARY LAYOFF]	This provision is [not] included for this class. See Section 5C.
CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE FOR ACTIVE MILITARY SERVICE	This provision is [not] included for this class. See Section 5D.
CONTINUITY OF COVERAGE	This benefit is [not] included for this class. See Section 11.
ELIMINATION PERIOD (EP)	[30-720] days. See Section 2.
Accumulation of EP	[60-1,440] days. See Section 8

SECTION 1 - SCHEDULE OF BENEFITS

GUARANTEED ISSUE AMOUNT (GIA)	[\$0, \$1,000, \$5,000, \$6,000, \$7,000 - \$1,000,000]
GUARANTEED ISSUE AMOUNT (GIA) FOR A LATE ENROLLEE	[\$0, \$1,000, \$2,000, \$3,000 - \$250,000]
GUARANTEED INCREASE IN BENEFIT (GIB) [GIB Amount]	This benefit is [not] included for this class. See Section 4. [\$1,000, \$2,000, \$3,000 - \$250,000]
INDIVIDUAL EFFECTIVE DATE Initial Participants	Policyholder's Effective Date if the Participant has satisfied his Waiting Period on or before said date, otherwise [immediately following the Waiting Period][the first day of the Coverage Month following the Initial Enrollment Period][the Policyholder's Anniversary Date following the Initial Enrollment Period][the First day of the Coverage Month following the Scheduled Enrollment Period]. See Section 3
New Participants	[Immediately following the Waiting Period.][First day of the Coverage Month following the Initial Enrollment Period.][Policyholder's Anniversary Date following the Initial Enrollment Period.][First day of the Coverage Month following the Scheduled Enrollment Period.] See Section 3.
INDIVIDUAL REINSTATEMENT	This provision is [not] included for this class. Application must be made within [30][60][90][120][180][360][365] days from termination date. Effective [immediately][first day of the Coverage Month]. See Section 5A.
[INITIAL ENROLLMENT PERIOD Initial Participants New Participants	Between [MM/DD/YYYY and MM/DD/YYYY.] [[[30] Days following the Participant's Eligibility Date.][The Scheduled Enrollment Period beginning on the Participant's Eligibility Date.] See Section 3.]
[LIFE EVENT BENEFIT (LEB) [Life Event Benefit Amount]	This benefit is [not] included for this class. See Section 4.] [\$1,000, \$2,000, \$3,000 - \$250,000]
[LIMITATIONS [Drug and Alcohol Limitation [Mental Illness Limitation [Special Conditions Limitation]	[10%-90%] of the Lump Sum Disability Amount. See Section 10.] [10%-90%] of the Lump Sum Disability Amount. See Section 10.] [10%-90%] of the Lump Sum Disability Amount. See Section 10.]

SECTION 1 - SCHEDULE OF BENEFITS

LUMP SUM DISABILITY BENEFIT AMOUNT

[Flat Amount: [\$1,000, \$2,000, \$3,000 - \$1,000,000].]

OR [incremental options as selected by the Policyholder and agreed to by AUL.]

[The Lump Sum Disability Amount is a flat amount available in [\$1,000] increments. The minimum Lump Sum Disability Amount is [\$1,000]. The maximum Lump Sum Disability Amount is [\$1,000,000].]

OR [options as selected by the Policyholder and agreed to by AUL.]

[option 1] [option 2] [option 3] [option 4] [option 5]
[\$1,000] [\$5,000] [\$15,000] [\$30,000] [\$50,000]

[option 6] [option 7] [option 8] [option 9] [option 10]
[\$60,000] [\$70,000] [\$80,000] [\$90,000] [\$100,000]

See Section 8.

MAXIMUM LUMP SUM DISABILITY BENEFIT AMOUNT

[\$1,000, \$2,000, \$3,000 - \$1,000,000]

PARTICIPANT PREMIUM CONTRIBUTIONS

[Non-contributory][Contributory]. See Section 3.

POLICY MONTH

A period that begins on the [first] day of the month and ends on the [last] day of the month.

[PORTABILITY PRIVILEGE

This privilege is [not] included for this class. See Section 12.]

[PRE-EXISTING CONDITION EXCLUSION

Duration

[30/5][5 day][3/12][6/12][6/24][12/12][12/24]
[3/3/12][3/6/12][6/6/12][12/6/12][6/6/24][6/12/24][12/6/24][12/12/24]
See Section 9.]

SECTION 1 - SCHEDULE OF BENEFITS

[[REDUCTIONS: Upon attainment of the age [65], the Lump Sum Disability Benefit Amount will reduce [by][to] [50%]. [Upon attainment of the age [70], the Lump Sum Disability Benefit Amount will reduce [by][to] [70%] of the [original][reduced] amount. Upon attainment of the age [80], the Lump Sum Disability Benefit Amount will reduce [by][to] [90%] of the [original][reduced] amount.]]

OR

[[REDUCTIONS: Upon attainment of the age [65], the Lump Sum Disability Benefit Amount will reduce [by][to] [\$10,000]. Upon attainment of the age [70], the Lump Sum Disability Benefit Amount will reduce [by][to] [\$5,000] of the [original][reduced] amount. Upon attainment of the age [80], the Lump Sum Disability Benefit Amount will reduce [by][to] [\$1,000].]

OR

[[REDUCTIONS: The Lump Sum Disability Benefit Amount will begin reducing to percentages shown below when the Participant reaches age [65, 70, 75, 80, 85]. The percentage of coverage remaining once the Participant attains various ages will be as follows:

[STANDARD REDUCTION STARTING AT AGE 65

PARTICIPANT'S AGE	REDUCED BENEFIT PERCENTAGE
[65]	[70%]
[70]	[45%]
[75]	[30%]
[80]	[25%]
[85]	[20%]
[90]	[15%]]

OR

[STANDARD REDUCTION STARTING AT AGE 60

PARTICIPANT'S AGE	REDUCED BENEFIT PERCENTAGE
[60]	[70%]
[65]	[50%]
[70]	[30%]
[75]	[20%]
[80]	[15%]]

OR

[[REDUCTIONS: Benefits do not reduce based on age.]]

SECTION 1 - SCHEDULE OF BENEFITS

RECURRENT RETURN TO WORK PERIOD	[[30][60][90][120] days]. See Section 8.
SCHEDULED ENROLLMENT PERIOD	[[90] days prior to the Policyholder's Anniversary Date.]
WAITING PERIOD	
Initial Participants	[0-360] [days, months, years]
New Participants	[0-360] [days, months, years] See Section 2.
[WAIVER OF PREMIUM	This benefit is [not] included for this class. See Section 6.]

SECTION 2 – DEFINITIONS

[ACTIVE WORK and ACTIVELY AT WORK means the regular and full-time use of time and energy in the services of the Person's [Regular Occupation][Regular Job]. The Person must be physically and mentally capable of performing each of the Material and Substantial duties of his [Regular Occupation][Regular Job] on a regular full-time basis.

This includes time off for vacation, jury duty, paid holidays, and funeral leave, where the Person could have been Actively At Work on that day.]

Active Work does not include periods of time when a Participant is not Actively At Work following an Injury, Sickness, strike, lock-out, layoff, after a Participant's employment has ended voluntarily or involuntarily, or periods of time the terminated Participant receives accrued vacation pay or other employment related benefits after his employment termination date.

BENEFIT ELIGIBILITY PERIOD means the period of consecutive days the Person is Disabled commencing the first day following the Elimination Period and continuing for the number of months identified in the Schedule of Benefits.]

COSMETIC SURGERY means surgery that is performed to change the texture, shape, or structure of any part of the human body for the purpose of beautifying or creating a different visual appearance.

CONTRIBUTORY INSURANCE means insurance for which the Person pays part or all of the premium.

COVERAGE MONTH means that period of time beginning on the Person's Individual Effective Date, and continuing from the first day and ending on the last day of each succeeding Policy Month.

DATE OF HIRE means the first day the Participant is Actively At Work in an eligible class of the Policyholder.

DATE OF DISABILITY means the first date the Person is Disabled.

DISABILITY and DISABLED means that, due to Sickness or Injury, a Person during the Elimination Period and/or Benefit Eligibility Period:

- 1) is unable to perform one or more of the Material and Substantial Duties of his [Regular Occupation][Regular Job][any occupation] on a full-time basis; [and][or
- 2) is performing at least one of the Material and Substantial Duties of his [Regular Occupation][Regular Job] or another occupation on a part time basis and is working for the Policyholder less than 80% of his regular hours, that does not include overtime pay, during the six weeks prior to the Person's Date of Disability; and]
- 3) is under the Regular Attendance of a Physician for that Sickness or Injury.

DUE DATE means the first day of the Coverage Month for which the premium is payable.

SECTION 2 – DEFINITIONS

ELIGIBILITY DATE means the date that a Participant, in an eligible class as stated in the Schedule of Benefits, has satisfied his Waiting Period and AUL determines is eligible for Personal Insurance under this policy.

ELIMINATION PERIOD means a period of [consecutive] [days][weeks][months][years] the Person is Disabled beginning on the Date of Disability.

EMPLOYER means the entity or organization for which the Person performs services and which has the right to control what will be done and how it will be done. An Employer has the right to control the details of how the services are performed by the Person. The Person must not be considered an independent contractor or agent unless classified by the IRS as a statutory employee of the Employer. The Employer is the entity or organization for which the Person performs his [Regular Occupation][Regular Job], and is required to withhold and pay income, social security, and Medicare taxes on wages.

EMPLOYER'S RETIREMENT PLAN means any defined benefit or defined contribution plan that is sponsored by the Employer.

EVIDENCE OF INSURABILITY means a statement or proof of a Person's medical history, upon which acceptance for insurance will be determined by AUL.

FRANCHISE COVERAGE means disability insurance coverage which allows Participants to be insured as part of their relationship with the Policyholder but such coverage is not part of an employee welfare benefit plan and the Participants are insured under individual policies.

[**GUARANTEED INCREASE IN BENEFIT (GIB)** means an additional amount of coverage that may be available to a Person once a year if certain specified conditions are met.]

GUARANTEED ISSUE AMOUNT (GIA) means the amount of coverage that does not require Evidence of Insurability. This amount is stated in the Schedule of Benefits.

INDIVIDUAL REINSTATEMENT means that Personal Insurance that has been terminated due to cessation of Active Work may be reinstated in accordance with Section 5A of this policy.

INJURY means a sudden, unforeseen and unexpected event that occurs independently of all other causes and causes physical harm to the Person. This includes all other conditions related to the same Injury.

[**LIFE EVENT BENEFIT (LEB)** means an increase or decrease in coverage resulting from specific events occurring in a Person's life.]

LUMP SUM DISABILITY BENEFIT means the benefit amount payable to a Person who is Permanently and Totally Disabled, according to the provisions of this policy as approved by AUL and stated in the Schedule of Benefits.

MALE PRONOUN whenever used includes the female.

MATERIAL AND SUBSTANTIAL DUTIES means duties that:

- 1) are normally required for the performance of an occupation; and
- 2) cannot be reasonably omitted or modified.

SECTION 2 – DEFINITIONS

MENTAL ILLNESS means a psychiatric or psychological condition classified in the *Diagnostic and Statistical Manual of Mental Health Disorders (DSM)*, published by the American Psychiatric Association, most current as of the start of a Disability. Such disorders include, but are not limited to, psychotic, emotional or behavioral disorders, or disorders related to stress or to substance abuse or dependency. If the *DSM* is discontinued or replaced, these disorders will be those classified in the diagnostic manual then used by the American Psychiatric Association as of the start of a Disability.

NON-CONTRIBUTORY INSURANCE means insurance for which the Person pays none of the premium.

PARTICIPANT means any individual who is a full-time employee, shareholder, owner, proprietor, partner, member, or corporate officer of the Policyholder:

- 1) whose employment with the Policyholder constitutes his principal occupation;
- 2) who works at that occupation a minimum number of hours as stated in the Schedule of Benefits;
- 3) who is working at the Policyholder's regular place of business which may include an alternative worksite if approved by the Policyholder and AUL;
- 4) who is not a part-time, temporary or seasonal Participant or worker;
- 5) who is authorized to work in the United States under applicable state and federal laws; and
- 6) if approved by AUL:
 - a) who legally works and resides in Canada;
 - b) who legally works in the United States and resides in Canada; or
 - c) who legally works in Canada and resides in the United States.

PERMANENT and TOTAL DISABILITY and PERMANENTLY and TOTALLY DISABLED means that, due to Sickness or Injury, a Person is:

- 1) expected to be unable to perform the Material and Substantial Duties of [his Regular Occupation][his Regular Job][any occupation] for which he is reasonably fitted by training, education or experience on a full-time basis for a continuous period of not less than [24] months;
- 2) not working;
- 3) not engaged in any activity for profit, such as a business or investment activity;
- 4) not receiving income or revenue from an activity which is a hobby; and
- 5) under the Regular Attendance of a Physician for that Sickness or Injury.

If the Person's [Regular Occupation][Regular Job] requires a license, loss of this license for any reason does not in itself constitute Permanent and Total Disability.]

PERSON means a Participant who has met the requirements of the ELIGIBILITY, ENROLLMENT AND INDIVIDUAL EFFECTIVE DATE section of this policy.

PERSONAL INSURANCE means the coverage provided under this policy for a Person.

PHYSICIAN means a qualified, state licensed doctor of medicine or osteopathy, and any other licensed health care provider that state law requires to be recognized as a Physician, practicing within the scope of his license and applicable law. Physician does not include a Physician employed by the Policyholder, a Person or anyone related to a Person by blood or marriage.

SECTION 2 – DEFINITIONS

POLICYHOLDER means any sole proprietorship, partnership, member, corporation, limited liability company, limited liability partnership, firm, school district, individual school, union, association, organization, or instrumentality of a state or political subdivision thereof, that has been approved by AUL and to whom this policy is issued. An entity that is subsidiary to or affiliated with the Policyholder as defined below is eligible for coverage under this policy if it is shown on the Application or later added by amendment to this policy.

A subsidiary may be included in this definition when the Policyholder owns more than 50% of the voting stock of the entity.

An affiliate may be included in this definition when the entity is under common control with the Policyholder through 51% or more ownership and control.

The Policyholder is liable for all premiums due for subsidiaries and affiliates during any period of time a subsidiary and/or affiliate is insured under this policy. Any notice given to the Policyholder by AUL shall be considered notice given to the subsidiary and/or affiliate.

POLICYHOLDER'S EFFECTIVE DATE means the date on which coverage is actually effective for the Policyholder under this policy as determined by AUL.

POLICYHOLDER'S ANNIVERSARY DATE means an annual date chosen by the Policyholder and agreed to by AUL.

PRE-EXISTING CONDITION means any condition for which a Person [or for which an ordinarily prudent Person] did or would have done any of the following at any time during the [30 days][[3] 6] [12] months] immediately prior to a Person's Individual Effective Date of Insurance, whether or not that condition was diagnosed at all or was misdiagnosed:

- 1) received medical treatment or consultation;
- 2) taken or were prescribed drugs or medicine; or
- 3) received care or services including diagnostic measures.

PRIOR PLAN means the Policyholder's plan of lump sum disability insurance or benefit plan having similar features to Lump Sum Disability that terminated on the day immediately before the Policyholder's Effective Date of coverage under this policy.

[REGULAR ATTENDANCE means that a Person:

- 1) personally meets with or visits a Physician as medically required according to standard medical practice, to effectively manage and treat his Disability;
- 2) is receiving the most appropriate treatment and care that will maximize his medical improvement and aid in his return to work; and
- 3) is receiving care by a Physician whose specialty or clinical experience is appropriate for the Disability.]

[REGULAR JOB means the job a Person was performing for the Policyholder immediately prior to the Date of Disability.]

SECTION 2 – DEFINITIONS

[REGULAR OCCUPATION means a Person's occupation as it is recognized in the general workplace and according to industry standards. The Person's time, energy and services must be performed at his [Employer's][Policyholder's] regular place of employment, or an alternative worksite approved by AUL. For Actively at Work requirements, a Person's alternative worksite may not be located outside of the United States or Canada for more than 6 months in any 12-month period. A Person's occupation does not mean the specific job tasks he does for a [Policyholder][Employer] or at a specific location. For example, an attorney's Regular Occupation means the practice of law as defined under applicable laws versus a specialized area within the practice of law.]

SICKNESS means illness, bodily disorder or disease, Mental Illness, normal pregnancy and complications of pregnancy. Complications of pregnancy are defined as concurrent disease or abnormal conditions significantly effecting the usual medical management of pregnancy.

SPOUSE means an individual to whom the Person is married.

However, for purposes of insurance under this policy, Spouse does not include an individual from whom the Person is divorced.

SURVIVOR means a relative entitled to inherit under intestate succession laws , in the following order: a Person's Spouse, child(ren), grandchildren, great grandchildren, parent(s), siblings, nieces and nephews, grandparents, aunts and uncles.

[TREATMENT FREE means the Person has not received medical treatment, consultation, care or services including diagnostic measures, and the Person has not taken or been prescribed drugs or medicines for the Pre-existing Condition.]

[WAITING PERIOD means the period of days, starting on the Date Of Hire, that a Participant must be continuously Actively at Work while in an eligible class. Initial Participants will be given credit for time served under the Policyholder's prior carrier if this policy replaced the same type of coverage he had with the prior carrier. [Part time employees will receive credit for the number of continuous days worked for the Policyholder immediately prior to being hired as a full time Participant.] The Waiting Period is stated in the Schedule of Benefits.]

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

Refer to **PARTICIPANT PREMIUM CONTRIBUTIONS** and **INDIVIDUAL EFFECTIVE DATE** in the Schedule of Benefits to determine applicable class(es) and option(s).

If coverage is Non-contributory the following applies:

INITIAL PARTICIPANT means a Participant who is employed by the Policyholder before the Policyholder's Effective Date.

NEW PARTICIPANT means a Participant who is employed by the Policyholder on or after the Policyholder's Effective Date.

ELIGIBILITY DATE: A Participant who is in an eligible class as stated in the Schedule of Benefits and has satisfied his Waiting Period, becomes eligible for Personal Insurance under this policy on:

- 1) *Initial Participant:*
 - a) the Policyholder's original Effective Date of coverage under this policy; [or]
 - b) [the day immediately following completion of the Waiting Period[; or]
 - c) [the first day of the Coverage Month immediately following completion of the Waiting Period].
- 2) *New Participant[:*
 - a) [the day immediately following completion of the Waiting Period[; or]
 - b) [the first day of the Coverage Month immediately following completion of the Waiting Period]].

INDIVIDUAL EFFECTIVE DATE OF INSURANCE: This means the date a Participant's Personal Insurance first becomes effective under this policy. This date only applies to the Lump Sum Disability Benefit Amount less than or equal to the Guaranteed Issue Amount shown in the Schedule of Benefits for the Person's class.

If a Participant is not Actively At Work on the date insurance would otherwise become effective, the Individual Effective Date of Insurance cannot begin until the date the Participant returns to full-time Active Work for the Policyholder.

AMOUNTS IN EXCESS OF THE GUARANTEED ISSUE AMOUNT: Any portion of the Lump Sum Disability Benefit Amount that exceeds the Guaranteed Issue Amount will require Evidence of Insurability satisfactory and without expense to AUL. If the excess portion is approved, the effective date for that portion will be named by AUL. If the excess portion is not approved by AUL, the Lump Sum Disability Benefit Amount will be an amount equal to the Guaranteed Issue Amount.

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

Refer to **PARTICIPANT PREMIUM CONTRIBUTIONS** and **INDIVIDUAL EFFECTIVE DATE** in the Schedule of Benefits to determine applicable class(es) or option(s).

If coverage is Contributory the following applies:

INITIAL PARTICIPANT means a Participant who is employed by the Policyholder before the Policyholder's Effective Date.

NEW PARTICIPANT means a Participant who is employed by the Policyholder on or after the Policyholder's Effective Date.

LATE ENROLLEE: A Late Enrollee is an Initial or New Participant who is Actively At Work, but does not request coverage during his Initial Enrollment Period. [Enrollment for Late Enrollees can only occur annually during the Scheduled Enrollment Period.] [If a Late Enrollee was previously declined coverage by AUL for medical reasons, he will not be eligible for the Guaranteed Issue Amount for Late Enrollees and he will be required to submit satisfactory Evidence of Insurability, without expense to AUL.]

ELIGIBILITY DATE: A Participant who is in an eligible class as stated in the Schedule of Benefits and has satisfied his Waiting Period, becomes eligible for Personal Insurance under this policy on:

- 1) *Initial Participant:*
 - a) the Policyholder's original Effective Date of coverage under this policy; [or]
 - b) [the day immediately following completion of the Waiting Period]; [or]
 - c) [the first day of the Coverage Month immediately following the Waiting Period]; [or]
 - d) [the Policyholder's Anniversary Date following the Initial Enrollment Period]; [or]
 - e) [the first day of the Coverage Month following the next Scheduled Enrollment Period].
- 2) *New Participant:*
 - a) the day immediately following completion of the Waiting Period; [or]
 - b) [the first day of the Coverage Month immediately following the Waiting Period]; [or]
 - c) [the Policyholder's Anniversary Date following the Initial Enrollment Period]; [or]
 - d) [the first day of the Coverage Month following the next Scheduled Enrollment Period].
- 3) *Late Enrollee:*
 - a) [the Policyholder's Anniversary Date following the next Scheduled Enrollment Period]; [or]
 - b) [the first day of the Coverage Month following the next Scheduled Enrollment Period]].

[ENROLLMENT: To be considered for coverage, an eligible Participant must apply correctly and truthfully for Personal Insurance under this policy. Eligible Participants applying for Personal Insurance must complete and sign a written request for coverage on an enrollment form approved by AUL and pay the required premiums before coverage will become effective. This form will be given to and maintained by the Policyholder. Coverage may only be requested during an Initial or Scheduled Enrollment Period, as follows:]

- 1) **INITIAL ENROLLMENT PERIOD:** The Initial Enrollment Period is the time during which an eligible Participant who is Actively At Work may first apply for coverage following completion of the Waiting Period without providing Evidence Of Insurability. An eligible Participant may waive coverage or request coverage under any option offered by the Policyholder for his class. The Initial Enrollment Period includes the following periods, during which a Participant may make his initial written application for coverage under this policy:
 - a) *Initial Participant:* the Initial Enrollment Period, which is the period of time agreed to by AUL and the Policyholder and is stated in the Schedule of Benefits.
 - b) *New Participant:* the Initial Enrollment Period, which is shown on the Schedule of Benefits as either:
 - i) the period that begins on the Eligibility Date and continues through the number of days as shown on the Schedule of Benefits; or
 - ii) the Scheduled Enrollment Period beginning on the Eligibility Date.]

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

- 2) **SCHEDULED ENROLLMENT PERIOD:** This is a recurrent period of days, as stated in the Schedule of Benefits, after the Policyholder's original Effective Date, during which:
- a) a New Participant [or eligible Late Enrollee] may apply in writing, on an AUL approved enrollment form, for coverage under this policy[.]; or[[
 - b) a Person may change from one Lump Sum Disability Benefit option to another Lump Sum Disability Benefit option under this policy, with satisfactory Evidence of Insurability[.]; or[[
 - c) an eligible Person may increase their Lump Sum Disability Benefit Amount by the Guaranteed Increase In Benefit Amount as stated in the Schedule of Benefits without Evidence of Insurability. See Section 4[.]; or[[
 - d) an eligible Person may increase their Lump Sum Disability Benefit Amount to an amount in excess of the Guaranteed Increase In Benefit Amount as stated in the Schedule of Benefits with satisfactory Evidence of Insurability. See Section 4[.]; or[[
 - e) an eligible Late Enrollee may apply in writing for a Lump Sum Disability Benefit Amount in excess of the Guaranteed Issue Amount for Late Enrollees as stated in the Schedule of Benefits with satisfactory Evidence of Insurability. See Section 4.]

The Scheduled Enrollment Period is chosen by the Policyholder and must be approved by AUL.]]

- 3) **DELAYED ENROLLMENT PERIOD:** An eligible Initial or New Participant who is not Actively At Work during his Initial Enrollment Period may apply for Personal Insurance without providing Evidence of Insurability. He may do this if:
- a) he has returned to full-time Active Work;
 - b) he is in an eligible class as stated in the Schedule of Benefits;
 - c) his Waiting Period was completed prior to his cessation of Active Work; and
 - d) he applies within 31 days of the day he returns to Active Work.]]

EVIDENCE OF INSURABILITY: Evidence of Insurability is required if:

- 1) the Participant applies for Lump Sum Disability Insurance in excess of the Guaranteed Issue Amount as stated in the Schedule of Benefits;[
- 2) the Late Enrollee applies for Lump Sum Disability Insurance;]]
- 3) the Late Enrollee applies for Lump Sum Disability Insurance in excess of the Guaranteed Issue Amount for Late Enrollees as stated in the Schedule of Benefits;]]
- 4) the Person applies for Lump Sum Disability Insurance in excess of the Guaranteed Increase In Benefit Amount as stated in the Schedule of Benefits;] or
- 5) the Participant applies for Lump Sum Disability Insurance after termination of insurance due to failure to pay the required amount of premium timely.

Any amount of insurance for which the Participant or Person requests greater than the Guaranteed Issue Amount will only be available following written approval by AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If insurance for amounts greater than the Guaranteed Issue Amount is approved, coverage will begin on the date identified in writing by AUL. If an amount greater than the Guaranteed Issue Amount is not approved by AUL, the Lump Sum Disability Benefit Amount will be equal to the Guaranteed Issue Amount and will be effective as set forth in the Individual Effective Date of Insurance provision of this policy.

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

Refer to **INDIVIDUAL EFFECTIVE DATE** in the Schedule of Benefits to determine applicable class(es) or option(s).

INDIVIDUAL EFFECTIVE DATE OF INSURANCE

Initial Participant:

- 1) The Individual Effective Date of Insurance for an eligible Initial Participant who has satisfied his Waiting Period prior to the Policyholder's Effective Date is the Policyholder's original Effective Date under this policy as long as an Initial Participant:
 - a) requested coverage during the Initial Enrollment Period; and
 - b) is Actively At Work for the Policyholder on that date.
- 2) The Individual Effective Date of Insurance for an eligible Initial Participant who has not satisfied his Waiting Period prior to the Policyholder's Effective Date is:
 - a) *[Immediately following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is the date of the request as long as the New Participant:
 - i) requested coverage during the Initial Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]
 - b) *[First day of the Coverage Month following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is [the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month][the first day of the next Coverage Month following the Participant's Date of Hire] as long as the New Participant:
 - i) requested coverage during the Initial Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]
 - c) *[Policyholder's Anniversary Date following the Initial Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the Policyholder's Anniversary Date following the Initial Enrollment Period as long as the New Participant:
 - i) requested coverage during the Initial Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]
 - d) *[First day of the Coverage Month following the Scheduled Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the first day of the Coverage Month following the Scheduled Enrollment Period as long as the New Participant:
 - i) requested coverage during the Scheduled Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

Refer to **INDIVIDUAL EFFECTIVE DATE** in the Schedule of Benefits to determine applicable class(es) or option(s).

New Participant:

The Individual Effective Date of Insurance for an eligible New Participant depends on the Policyholder's selection on the Application, as described below:

- 1) *[Immediately following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is the date of the request as long as the New Participant:
 - a) requested coverage during the Initial Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]
- 2) *[First day of the Coverage Month following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is [the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month][the first day of the next Coverage Month following the Participant's Date of Hire] as long as the New Participant:
 - a) requested coverage during the Initial Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]
- 3) *[Policyholder's Anniversary Date following the Initial Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the Policyholder's Anniversary Date following the Initial Enrollment Period as long as the New Participant:
 - a) requested coverage during the Initial Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]
- 4) *[First day of the Coverage Month following the Scheduled Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the first day of the Coverage Month following the Scheduled Enrollment Period as long as the New Participant:
 - a) requested coverage during the Scheduled Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]]

[Late Enrollee: The Guaranteed Issue Amount for a Late Enrollee is stated in the Schedule of Benefits. The Individual Effective Date of Insurance for an eligible Late Enrollee is the Policyholder's Anniversary Date following the date of the Late Enrollee request as long as the Late Enrollee:

- 1) requested coverage during the Scheduled Enrollment Period;
- 2) has completed the Waiting Period for New Participants; and
- 3) is Actively At Work on the Individual Effective Date of Insurance.

SECTION 4 - CHANGES IN INSURANCE

Refer to **INDIVIDUAL EFFECTIVE DATE** and **GUARANTEED INCREASE IN BENEFIT** in the Schedule of Benefits to determine applicable class(es) or option(s).

[EFFECTIVE DATE OF CHANGE (Immediate & GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction; or
- 2) the date of AUL's written approval of the change.

Prior to a change in coverage that increases coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium must be paid.

A change increasing the amount of coverage equal to or less than the GIB offer takes effect the date the Person becomes eligible for the change in coverage.

A change in coverage increasing the amount of coverage exceeding the Person's GIB offer takes effect the date the Person becomes eligible for the change in coverage and is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the approved change date, any change in the amount of coverage takes effect on the date the Person returns to Active Work.]

[EFFECTIVE DATE OF CHANGE (first of the Coverage Month & GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the first day of the Coverage Month following any scheduled reduction;
- 2) the first day of the Coverage Month following AUL's written approval of the change, if the date is the first day of the Coverage Month; or
- 3) the first day of the next Coverage Month following AUL's written approval of the change, if the date is after the first day of the Coverage Month.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium must be paid.

A change increasing the amount of coverage equal to or less than the GIB offer takes effect on:

- 1) the first day of the Coverage Month; if the Person becomes eligible for the change on the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the date the Person becomes eligible for the change in coverage, if the date is after the first day of the Coverage Month.

A change in coverage increasing the amount of coverage above the Person's GIB offer is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the effective date of the approved increase, any increase in the amount of coverage takes effect on:

- 1) the first day of the Coverage Month if the Person returns to Active Work on the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work, if the date is after the first day of the Coverage Month.]

SECTION 4 - CHANGES IN INSURANCE

Refer to **INDIVIDUAL EFFECTIVE DATE** and **GUARANTEED INCREASE IN BENEFIT** in the Schedule of Benefits to determine applicable class(es) or option(s).

[EFFECTIVE DATE OF CHANGE (anniversary & GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction;
- 2) the Policyholder's Anniversary Date following AUL's written approval of the change, if the date of AUL's approval is the Policyholder's Anniversary Date; or
- 3) the Policyholder's Anniversary Date next following AUL's written approval of the change, if the date of AUL's approval is after the Policyholder's Anniversary Date.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium be paid.

A change in coverage increasing the amount of coverage not exceeding the Person's GIB offer takes effect on:

- 1) the Policyholder's Anniversary Date, if the date is the Policyholder's Anniversary Date; or
- 2) the Policyholder's Anniversary Date next following the date the Person becomes eligible for the change in coverage, if the date is after the Policyholder's Anniversary Date.

A change in coverage increasing the amount of coverage exceeding the Person's GIB offer is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the Policyholder's Anniversary Date that is the approved change date, any increase in the amount of coverage takes effect on the date the Person returns to Active Work.]

[EFFECTIVE DATE CHANGE (anniversary & No GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction;
- 2) the Policyholder's Anniversary Date following AUL's written approval of the change, if the date of AUL's approval is the Policyholder's Anniversary Date; or
- 3) the Policyholder's Anniversary Date next following AUL's written approval of the change, if the date of AUL's approval is after the Policyholder's Anniversary Date.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium be paid.

If the Person is not Actively at Work on the Policyholder's Anniversary Date that is the approved change date, any increase in the amount of coverage takes effect on:

- 1) the date the Person returns to Active Work, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work.]

SECTION 4 - CHANGES IN INSURANCE

Refer to **INDIVIDUAL EFFECTIVE DATE** and **GUARANTEED INCREASE IN BENEFIT** in the Schedule of Benefits to determine applicable class(es) or option(s).

[EFFECTIVE DATE OF CHANGE (1st of Coverage Month & No GIB)

A change in coverage that does not increase the amount of coverage takes effect on:

- 1) the first day of the Coverage Month following any scheduled reduction;
- 2) the first day of the Coverage Month following AUL's written approval of the change, if the date is the first day of the Coverage Month; or
- 3) the first day of the next Coverage Month following AUL's written approval of the change, if the date is after the first day of the Coverage Month.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium be paid.

A change increasing the amount of coverage is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the approved change date, any change in the amount of coverage takes effect on:

- 1) the date the Person returns to Active Work, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work, if the date is after the first day of the Coverage Month.]

[EFFECTIVE DATE OF CHANGE (Immediate & No GIB)

A change in coverage that does not increase the amount of a Person's coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction; or
- 2) the date of AUL's written approval of the change.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for an injury or Sickness)] must be Actively at Work and the required amount of premium be paid.

A change increasing the amount of coverage is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If a Person is not Actively at Work on the approved change date, any increase in the amount of coverage takes effect on the date the Person returns to Active Work.]

[If the change is an increase in the Lump Sum Disability Benefit Amount, the provision entitled Pre-Existing Condition Exclusion On An Increased Lump Sum Disability Benefit Amount, as shown in Section 9 - EXCLUSIONS, will apply to the increased amount.]

SECTION 4 - CHANGES IN INSURANCE

[COVERAGE AMOUNTS REQUESTED IN EXCESS OF THE GUARANTEED INCREASE IN BENEFIT

During Scheduled Enrollment Periods, a Person may apply to increase an amount greater than the GIB, however, receipt of any amount above the GIB will first require Evidence of Insurability and information satisfactory to AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If coverage is approved, coverage will begin on the date identified and approved in writing by AUL.

If coverage for a Participant is declined following unsatisfactory Evidence of Insurability, no GIB will be available until Evidence of Insurability and information satisfactory to AUL is received. Until the GIB is approved, only the amount of coverage previously approved by AUL will be available.]

SECTION 4 - CHANGES IN INSURANCE

Refer to **GUARANTEED INCREASE IN BENEFIT** and **REDUCTIONS** in the Schedule of Benefits to determine applicable class(es) or option(s).

[GUARANTEED INCREASE IN BENEFIT (GIB)]

The Person may apply for the GIB, which is an additional amount of coverage, at each AUL approved Scheduled Enrollment Period without satisfactory Evidence of Insurability, if all the following conditions are met:

- 1) the Person must be under age [60-90];
- 2) the Person must be Actively at Work on the effective date of the increase;
- 3) the amount of each increase will be limited to the GIB Amount stated in the Schedule of Benefits;
- 4) the amount of coverage after the increase is not greater than the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits;
- 5) the Person has not previously been declined for the GIB; [and]
- 6) the Person applying for a GIB whose total amount of coverage exceeds the Maximum Lump Sum Disability Benefit Amount will be limited to the Maximum Lump Sum Disability Benefit Amount[.]; and][
- 7) the Person will be limited to [six (6)] GIB increases during the lifetime of this policy.]

If reductions begin prior to age [60-90], the total amount of coverage following the GIB will be reduced according to the Reductions stated in the Schedule of Benefits.

If a Participant declines the Lump Sum Disability Insurance during the Initial Enrollment Period and wants to apply at a later Scheduled Enrollment date, receipt of any coverage will first require Evidence of Insurability and information satisfactory to AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If coverage is approved, coverage will begin on the date identified in writing by AUL. If the Participant is approved for coverage during the Scheduled Enrollment, he will be eligible to apply for the GIB at the next Scheduled Enrollment Period.

If coverage is declined following unsatisfactory Evidence of Insurability, no GIB will be available until Evidence of Insurability and information is received. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If the GIB request is approved, coverage will begin on the date identified and approved in writing by AUL.

[Automatic GIB provision for list billed groups only.]

Within thirty (30) days prior to the GIB offering, a Person may revocably elect to opt in to automatically receive the GIB by:

- 1) applying for the Lump Sum automatic opt in option on AUL's enrollment form during the Initial Enrollment Period;
or
- 2) submitting a request in writing to AUL indicating the Person's desire to automatically receive the GIB.

If a Person, after opting in to the GIB, elects at a later date to decline to automatically receive the GIB, he must submit notification of declination in writing to AUL thirty (30) days before the GIB would have taken effect.

The GIB will become effective on the Policyholder's Anniversary Date next following AUL's written approval of the GIB. All of the conditions to GIB included in this section will apply once the GIB becomes effective.]

SECTION 4 - CHANGES IN INSURANCE

Refer to **LIFE EVENT BENEFIT** and **REDUCTIONS** in the Schedule of Benefits to determine applicable class(es) or option(s).

[LIFE EVENT BENEFIT (LEB)]

[A Person may request an additional amount of coverage] [or] [a Late Enrollee may request Lump Sum Disability Insurance coverage] without Evidence of Insurability, if all the following conditions are met:

- 1) The [Person] [or] [Late Enrollee] experienced one of the following Life Events:
 - a) marriage;
 - b) birth of a child;
 - c) adoption of a child or stepchild; or
 - d) permanent legal custody or guardianship of a child lasting more than [90] days;
- 2) AUL was notified within 31 days of the Life Event;
- 3) the [Person] [or] [Late Enrollee] must be under age [60-90];
- 4) the [Person] [or] [Late Enrollee] must be Actively at Work on the effective date of the increase;
- 5) The amount of the LEB increase is offered in the Schedule of Benefits.
- 6) the amount of coverage after the increase is not greater than the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits;
- 7) the [Person] [or] [Late Enrollee] has not previously been declined; and
- 8) the [Person] [or] [Late Enrollee] applying for a LEB amount that exceeds the Maximum Lump Sum Disability Benefit Amount, will be limited to the Maximum Lump Sum Disability Benefit Amount.

A [Person] [or] [Late Enrollee] may be eligible for a LEB for each Life Event when events are simultaneous. For simultaneous LEB events, the increased amount for each event will be based on the coverage amount prior to the LEB events and the amount of each increase will be equal. However, the amount of coverage after the increase will not be greater than the maximum amount of coverage available to the [Person] [or] [Late Enrollee].

The LEB will be reduced according to the Reductions as stated in the Schedule of Benefits. In no event will the total amount of coverage including any LEB exceed the Maximum Lump Sum Disability Benefit stated in the Schedule of Benefits.

If a Participant declines coverage during the Initial Enrollment Period and wants to apply at a later Scheduled Enrollment date, receipt of any coverage first requires Evidence of Insurability and information satisfactory to AUL unless the Participant has a qualifying Life Event. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If coverage is approved, coverage will begin on the date identified in writing by AUL. If the Participant is approved for coverage during the Scheduled Enrollment, he will be eligible to request the LEB when a Life Event occurs.

[If coverage for a Late Enrollee is declined following unsatisfactory Evidence of Insurability, no LEB will be available until Evidence of Insurability and information satisfactory to AUL is received. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If the LEB request is approved, coverage will begin on the date identified in writing by AUL.]

SECTION 5 - TERMINATIONS

INDIVIDUAL TERMINATION: A Person will cease to be insured on the EARLIEST of the following dates:

- 1) the date this policy or the Policyholder's coverage under this policy terminates;
- 2) the [date][end of the Coverage Month following the date] the Person is no longer in an eligible class;
- 3) the date the Person's class, as stated in the Schedule of Benefits, is no longer insured under this policy;
- 4) the last day of the period for which premiums were paid, if the premium is not paid when due;
- 5) the date the Person requests termination, but not prior to the date of the request;
- 6) the date the Lump Sum Disability Benefit is paid to the Person;
- 7) the date the Person dies;
- 8) the [end of the Coverage Month following the date][date] employment terminates. **Cessation of Active Work will be deemed termination of employment.** However, insurance will be continued for a Person:
 - a) during the Elimination Period, if the Person is Disabled, as described in this policy;
 - b) during the Benefit Eligibility Period, if the Person is Disabled, as described in this policy; and
 - c) [during any period that premiums are being waived under the Waiver of Premium provision[.]]; and
 - d) during any temporary Leave of Absence according to the appropriate Continuation of Personal Insurance benefit, if premiums continue to be paid during the leave and the benefit was elected by the Policyholder in the Application and approved by AUL[.]]; and
 - e) during any temporary layoff according to the appropriate Continuation of Personal Insurance benefit, if premiums continue to be paid during the layoff and the benefit was elected by the Policyholder in the Application and approved by AUL[.]]; and
- 9) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.]

TERMINATION OF THE POLICY: Insurance coverage under this policy will cease on the EARLIEST of the following dates:

- 1) the date the Policyholder no longer meets the definition of a Policyholder;
- 2) the date the Policyholder ceases active business operations, becomes insolvent, or is placed in bankruptcy or receivership;
- 3) the date the Policyholder ceases to exist by means of transfer of ownership, transfer of control, sale, dissolution, merger, consolidation, acquisition, or otherwise;
- 4) the date ending the Policy Month for which the last premium payment is made for the Policyholder's insurance;
- 5) at the end of a Policy Month, provided that AUL has given at least [31 days] days prior written notice to the Policyholder;
- 6) at the end of a Policy Month, if the Policyholder has given AUL at least [31 days] prior written notice;
- 7) the date the Policyholder fails to promptly furnish any information which AUL may reasonably require; or
- 8) the date the Policyholder, without good and sufficient cause, fails to perform in good faith its duties pertaining to this policy.

If a Person's insurance is terminated due to the termination of this policy, the Person's rights under this policy are terminated on the date this policy terminated.

Termination of this policy under any conditions will be without prejudice to AUL for any claim incurred prior to termination.

If this policy terminates, the Policyholder will be liable to AUL for all unpaid premiums for the period during which the coverage was in force.

SECTION 4 - CHANGES IN INSURANCE

[CHANGING LUMP SUM DISABILITY OPTIONS: After the Initial Enrollment Period, a Person may increase his coverage to another option available to his class only during a Scheduled Enrollment Period. The request for a change in option and agreement to pay the required premium must be made in writing on a form approved by AUL, subject to the following:

- 1) an increase in coverage to the next higher option available to a Person's class will not require Evidence of Insurability;
- 2) requests to increase coverage to an option other than the next higher option will not be allowed; and
- 3) if a Person fails to apply for an increase in coverage during the Scheduled Enrollment Period, he will continue to be covered under his current option until the next Scheduled Enrollment Period.

If the Person is not Actively At Work on the Effective Date of Change, the Person becomes eligible for the change on the first day that the Person returns to Active Work.]

DECREASING THE LUMP SUM DISABILITY BENEFIT AMOUNT: A Person may decrease the amount of his coverage at any time. Any decrease in coverage will become effective [immediately][the first day of the Coverage Month] following the date of the request.

Any change in insurance, other than a decrease in the amount of coverage or an increase in coverage to the next higher option as stated above, will require satisfactory Evidence of Insurability.

If a change in options results in an increase in coverage, the provision entitled Pre-Existing Condition Exclusion For A Change In Options, shown in Section 9 - EXCLUSIONS, will apply.

SECTION 5A - INDIVIDUAL REINSTATEMENT

Refer to **INDIVIDUAL REINSTATEMENT** in the Schedule of Benefits to determine applicable class(es) or option(s).

INDIVIDUAL REINSTATEMENT: If Personal Insurance terminates under this policy due to cessation of Active Work for the Policyholder, it may be reinstated subject to the terms of this provision. Individual Reinstatement must be requested during the [31-day] period immediately following return to Active Work for the Policyholder in accordance with the terms stated in this provision. Individual Reinstatement will be for the same coverage amount and eligible class that the Participant belonged to immediately prior to his termination. AUL may require Evidence of Insurability if reinstatement is requested for an amount or eligible class that differs from the coverage the Participant had with the Policyholder immediately prior to his cessation of Active Work. Reinstatement is subject to payment of required premiums and that the Policyholder is currently insured by AUL under this policy. In addition to these requirements, the following also applies:

- 1) If a Participant returns to Active Work within the period of consecutive calendar days as stated in the Schedule of Benefits under Individual Reinstatement from his individual termination date and requests Individual Reinstatement:
 - a) Personal Insurance will become effective immediately upon the date of request for Individual Reinstatement, or the first day of the Coverage Month immediately following the date of request for Individual Reinstatement, as stated in the Schedule of Benefits.
 - b) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class held by the Participant under this policy immediately prior to cessation of Active Work.
 - c) *[If the Schedule of Benefits states that the Participant must return to Active Work within [30, 60, 90, 120, 150, 180] days of termination:* Credit will be given towards satisfaction of the eligibility Waiting Period and of the Pre-Existing Condition exclusion or limitation period he previously served under this policy. However, any days accumulated during his period of lapse in coverage will not be credited. The original Individual Effective Date of Insurance will be used when applying the eligibility Waiting Period and the Pre-Existing Condition exclusion or limitation period.] or
 - d) *[If the Schedule of Benefits states that the Participant can return to Active Work for a period greater than [30, 60, 90, 120, 150, 180] days from the Participant's date of termination:* Credit will be given towards satisfaction of the eligibility Waiting Period he previously served under this policy. However, any days accumulated during his period of lapse in coverage will not be credited. The Participant will be considered a New Participant and subject to the terms of this policy, except as stated herein.]
- 2) If a Participant returns to Active Work more than the number of consecutive calendar days, shown in 1) above, after his individual termination date and requests Individual Reinstatement:
 - a) The Participant will be considered a New Participant subject to the terms of this policy.
 - b) Eligibility for Personal Insurance, Enrollment and his Individual Effective Date Of Insurance will be determined as stated in this policy.
 - c) The Waiting Period and Pre-Existing Condition exclusion or limitation period will start anew. The Individual Reinstatement date will be used when applying the Pre-Existing Condition exclusion or limitation period.
- 3) If the Participant is currently insured under this policy's Portability Privilege and returns to Active Work with the Policyholder and requests Individual Reinstatement to this policy:
 - a) Personal Insurance will become effective [immediately upon the date of request for Individual Reinstatement] [the first day of the Coverage Month immediately following the date of request for Individual Reinstatement], as stated in the Schedule of Benefits.
 - b) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class held by the Participant under this policy immediately prior to cessation of Active Work.
 - c) Credit will be given towards satisfaction of the Pre-Existing Condition exclusion or limitation period he already served under this policy and the Portability Privilege. The Participant's original Individual Effective Date of Insurance will be used when applying the Pre-Existing Condition exclusion or limitation period.
 - d) Coverage under the Portability Privilege must terminate immediately prior to the date of Individual Reinstatement under this policy.

SECTION 5A – INDIVIDUAL REINSTATEMENT

- 4) If Personal Insurance terminates because of a leave approved by the Policyholder under the Federal Family and Medical Leave Act (FMLA), or similar applicable state law, and the Participant returns to full-time Active Work immediately following the end of the leave:
 - a) Personal Insurance will become effective immediately upon the date of request for Individual Reinstatement.
 - b) Credit will be given towards satisfaction of the Pre-Existing Condition exclusion or limitation period previously served under this policy, however, the days accumulated during the period of lapse in coverage will not be credited. The original Individual Effective Date of Insurance will be used when applying the Pre-Existing Condition exclusion or limitation period.
 - c) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class that the Participant would have been entitled to prior to the leave.
- 5) [If Personal Insurance terminates because a Person becomes a full-time member of the armed forces of the United States and he returns to full-time Active Work, the Person's coverage may be reinstated if required under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and applicable state law.]

**SECTION 5B – CONTINUATION OF PERSONAL INSURANCE
UNDER THE FAMILY AND MEDICAL LEAVE ACT**

*Refer to **CONTINUATION OF PERSONAL INSURANCE UNDER FMLA** in the Schedule of Benefits to determine applicable class(es) or option(s).*

CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY AND MEDICAL LEAVE ACT. If the Policyholder correctly approves a leave of absence under the Federal Family and Medical Leave Act (FMLA), a Person's coverage under this policy will be continued as stated in this Section. Personal Insurance will continue while a Person's leave is covered under FMLA, until the end of the later of:

- 1) the leave period permitted under FMLA or
- 2) the leave period permitted by applicable state law.

Coverage continued under this Section is subject to the following requirements:

- 1) the Policyholder has approved a Person's leave in writing as a leave taken under FMLA;
- 2) applicable premiums must continue to be paid to AUL in accordance with this policy (see Section 6 – PREMIUM PAYMENT); and
- 3) the Lump Sum Disability Amount will be the amount in effect prior to the date the Person's family or medical leave began.

Continuation of Personal Insurance under this provision will cease on the EARLIEST of the following:

- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date this policy terminates;
- 5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under this policy;
- 7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
- 8) the date a Person requests termination of coverage under this policy, but not prior to the date of request;
- 9) the date the Lump Sum Disability Benefit is paid to the Person[.]; or
- 10) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.]

All terms and conditions of this policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under this policy.

**SECTION 5C - CONTINUATION OF PERSONAL INSURANCE
DURING A [LEAVE OF ABSENCE][AND][TEMPORARY LAYOFF]**

Refer to CONTINUATION PERSONAL INSURANCE DURING A LEAVE OF ABSENCE [and TEMPORARY LAYOFF] in the Schedule of Benefits to determine applicable class(es) or option(s).

LEAVE OF ABSENCE references in this Section means the Person is absent from Active Work for a temporary period of time that has been agreed to in advance and in writing by the Policyholder[.] [and includes temporary layoffs unless otherwise stated.]

[CONTINUATION OF PERSONAL INSURANCE WHILE TEMPORARILY LAID OFF. If the Policyholder approves a temporary layoff, a Person's coverage under this policy will be continued [to the end of the Coverage Month following the month in which the layoff begins] [to the end of the [60][90][120][150][180]-day period from the date the Person begins a Leave of Absence], as long as premiums continue to be paid to and received by AUL, subject to same requirement as a Leave Of Absence.]

[CONTINUATION OF PERSONAL INSURANCE UNDER A LEAVE OF ABSENCE: If the Policyholder approves a Leave of Absence, a Person's coverage under this policy will be continued [to the end of the Coverage Month following the month that a Person begins a Leave of Absence,][to the end of the [60][90][120][150][180]-day period from the date the Person begins a Leave of Absence] as long as premiums continue to be paid to and received by AUL, subject to the following requirements:]

- 1) the Policyholder has approved a Person's Leave of Absence in writing;
- 2) applicable premiums must continue to be paid to AUL in accordance with this policy (see Section 6 – PREMIUM PAYMENT); and
- 3) the Lump Sum Disability Benefit will be the amount in effect prior to the date the Person's Leave of Absence began.

Continuation of Personal Insurance under this provision will cease on the EARLIEST of the following:

- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date this policy terminates;
- 5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under this policy;
- 7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
- 8) the date a Person requests termination of coverage under this policy, but not prior to the date of request;
- 9) the date the Lump Sum Disability Benefit is paid to the Person[.]; or
- 10) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.]

All terms and conditions of this policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under this policy.

**SECTION 5D – CONTINUATION OF PERSONAL INSURANCE
DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE**

*Refer to **CONTINUATION OF INSURANCE DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE** in the Schedule of Benefits to determine applicable class(es) or option(s).*

LEAVE OF ABSENCE means the Person is absent from Active Work for a temporary period of time that has been agreed to in advance in writing by the Policyholder.

CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE: If the Person is on a leave of absence for active military service as described under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and applicable state law, the Person's coverage may be continued until the later of:

- 1) the length of time the coverage may be continued under this policy for an FMLA leave of absence; or
- 2) the length of time the coverage may be continued under this policy for a Leave of Absence other than an FMLA leave of absence.

Coverage continued under this Section is subject to the following requirements:

- 1) applicable premiums must continue to be paid to and received by AUL in accordance with this policy (see Section 6 - PREMIUM PAYMENT); and
- 2) the Lump Sum Disability Benefit will be the amount in effect prior to the date the Person's Leave of Absence For Active Military Service began.

Continuation of Personal Insurance under this provision will cease on the earliest of the following:

- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date this policy terminates;
- 5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under this policy;
- 7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
- 8) the date a Person requests termination of coverage under this policy, but not prior to the date of request; or
- 9) the date the Lump Sum Disability Benefit is paid to the person.

All terms and conditions of this policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under this policy.

SECTION 6 - PREMIUM PAYMENT

PREMIUM PAYMENTS: As provided in the Application, the Policyholder is responsible for properly and accurately paying premium to AUL on or before the Due Date. All premiums will be calculated and paid in U.S. dollars. At the request of the Policyholder and AUL's written approval, the interval of premium payments may be changed.

Overpayment of premium will not result in increases in any coverage amounts or additional benefits for the Policyholder or Person. If a Person has Contributory Insurance, premiums paid by the Person may be paid by means of payroll deduction administered by the Policyholder.

Premiums for a Person's coverage under this policy shall be owed beginning on the Person's Individual Effective Date of Insurance. Premiums will cease to be owed on the Person's individual termination date. However, premiums will continue to be owed if the Person is Disabled on his individual termination date. Premiums will continue to be owed until the date they are waived according to the Waiver of Premium provision.

Each premium payment will include adjustments in past premiums for changes that have not previously been taken into account. Payment of any premium does not maintain the insurance in force beyond the end of the period for which it has been paid. Each premium payment is owed to AUL on or before its Due Date.

The above manner of charging premiums applies only to a Person's insurance that is terminating, but not the termination of this policy. Each premium payment will include adjustments in past premiums for changes that have not previously been taken into account.

PREMIUM RATES: AUL reserves the right to change premium rates on any date:

- 1) after the Policyholder's coverage has been in effect for [one (1) year][two (2) years][three (3) years][four (4) years], [five (5) years] or as stated in the Application, by giving prior written notice to the Policyholder at least [31 days] before the effective date of the change;
- 2) the eligibility or benefit provisions are changed;
- 3) the number of Persons insured under this policy changes by [10%] or more;
- 4) a division, unit, subsidiary or affiliate is added to, or deleted from, the Policyholder's coverage under this policy.
- 5) if the age or any other fact that affects the benefits for a Person or Policyholder has been misstated or
- 6) there is a change in existing laws which affects the coverage offered under this policy

*The following definitions of Waiver of Premium will be used based on **PARTICIPANT CONTRIBUTION** selection:*

[**WAIVER OF PREMIUM BENEFIT:** *Non-contributory option:* Premium payments will be waived for a Disabled Person immediately following 12 weeks of Disability] [*Contributory option:* Premium payments for a Disabled Person will be waived the first Date of Disability] and will continue to be waived during the Elimination Period and Benefit Eligibility Period. If a Disabled Person returns to work before the end of his Elimination Period or his Benefit Eligibility Period, his premium payments will resume, but he will not be required to repay the waived premiums.

Premiums for coverage under this policy will be waived as described in this provision, providing the Lump Sum Disability Benefit is paid by AUL.]

SECTION 7 – GENERAL POLICY PROVISIONS

AGENCY: For all purposes of this policy, the Policyholder acts on behalf of itself or as agent for the Person. Under no circumstances will the Policyholder be deemed the agent of AUL.

AMENDMENT AND CHANGES: This policy may be amended in writing by mutual agreement between the Policyholder and AUL, but without prejudice to any loss incurred prior to the effective date of the amendment. No change in this policy is valid until approved in writing by the Chief Executive Officer, President, or Secretary of AUL. No agent has the authority to approve coverage, change this policy or waive any of its provisions.

ASSIGNMENT: No assignment of any present or future right or benefit under this policy will bind AUL without its prior written consent and when permitted under applicable laws.

CERTIFICATES: AUL will issue a certificate for delivery by the Policyholder to the insured Persons. The certificate will summarize the Person's coverage under this policy and will state:

- 1) the benefits provided; and
- 2) to whom the benefits are payable.

If there is any discrepancy between the provisions of any marketing materials, plan documents, certificate, and the provisions of this policy, the provisions of this policy will govern.

CLERICAL ERROR: Clerical error on the part of the Policyholder or AUL will not invalidate insurance otherwise in force nor continue insurance otherwise terminated.

CONFORMITY WITH STATE LAWS: Any provision of this policy in conflict with the laws of the state in which it is delivered is amended to conform to the minimum requirements of those laws.

DATA AND RECORDS: The Policyholder must promptly furnish all information that AUL reasonably requires. The Policyholder must furnish all relevant information to AUL about Persons:

- 1) who qualify to become insured or are eligible for benefits;
- 2) whose amounts of insurance change; and/or
- 3) whose insurance terminates.

At any reasonable time, AUL or its representatives shall have the right to inspect the records of the Policyholder that, in the opinion of AUL, may have a bearing on the insurance coverage provided under this policy.

SECTION 7 – GENERAL POLICY PROVISIONS

ENTIRE CONTRACT: This policy, the application forms of the Persons, the Application of the Policyholder, and any amendments made from time to time constitute the entire contract.

GRACE PERIOD: If the Policyholder or AUL does not give notice in writing that coverage under this policy is to be terminated, a grace period of [31 days] will be granted for the payment of any premium owed after the first premium Due Date. During the grace period, this policy will continue in force but will automatically terminate on the last day of the Grace Period. The Policyholder is liable to AUL for payment of premiums for the days of grace during which this policy remains in force. AUL is not obligated to pay claims incurred during the grace period until the premium owed is received.

[INSURANCE FRAUD: AUL wants to ensure that its customers do not incur additional insurance costs as a result of the act of insurance fraud. Applicable state laws require AUL to undertake measures to detect, investigate and prosecute fraud.

Anyone that knowingly completes an application for insurance or statement of claim containing any materially false information or facts, with the intent to deceive, conceal or mislead is committing a fraudulent insurance act. This is a crime and may subject that Person to criminal and civil penalties.]

MISSTATEMENT OF FACTS: If the age or any other fact that affects the benefits for a Person or Policyholder has been misstated, the benefits will be payable based on the true facts. Premium adjustment will be made so that AUL will receive the actual premium required based on the true facts.

RELATIONSHIP: AUL and the Policyholder are, and will remain, independent contractors. Nothing in this policy or the Application shall be construed as making the parties joint ventures or as creating a relationship of employer and Participant, master and servant or principal and agent. Neither party has any power, right or authority to bind the other or to assume or create any obligation or responsibility on behalf of the other. AUL and the Policyholders each retain exclusive control of their time and methods to perform their respective duties. AUL and the Policyholder will employ, pay and supervise their own employees and pay their own expenses. The Policyholder is required to familiarize itself with all relevant state and federal laws including applicable banking, MEWA, plan sponsor, plan administrator, and fiduciary laws. Any violation of federal or state law will require Policyholder to reimburse AUL for any and all damages or fines imposed on AUL as well as AUL's reasonable attorney's fees incurred due to Policyholder's violations and/or any violations incurred by any representative of Policyholder, in which AUL is made party thereof

STATEMENTS MADE IN AN APPLICATION: All statements made by the Policyholder, or insured Persons shall be deemed representations and not warranties. No such statements will be used to reduce or deny any claim or to cancel the Person's coverage unless:

- 1) the statement is in writing; and
- 2) a copy of that statement is given to the Person or his Survivor.

SECTION 7 – GENERAL POLICY PROVISIONS

INCONTESTABILITY: The validity of this policy may not be contested, except in the case of fraud or for nonpayment of premiums, after this policy has been in force for two years after its date of issue, and other than a misrepresentation of a material fact, no statement made by a Policyholder or a Person relating to his insurability may be used in contesting the validity of the insurance with respect to which the statement was made, unless: (1) the insurance has not been in force for a period of two years or longer; or (2) the statement is contained in a written instrument signed by the Person. However, AUL is not precluded from asserting at any time any defenses based upon provisions in this policy relating to eligibility for coverage. All statements made by a Policyholder or a Person are to be deemed representations and not warranties, and that other than a misrepresentation of a material fact no statement made by any Person may be used in any contest unless a copy of the instrument containing the statement is or has been furnished to the Person or, in the event of death or incapacity of the Person, to the Person's personal representative.

WORKER'S COMPENSATION AND WORKMEN'S COMPENSATION NOT AFFECTED: This policy is not in lieu of, and does not affect any requirement for coverage by Worker's or Workmen's Compensation Insurance.

SECTION 7A – CLAIM PROCEDURES

INITIAL NOTICE OF DISABILITY: Written notice of Disability must be given to AUL within [90] days after the Elimination Period ends. If written notice cannot be made during this time period due to an Act of God or force majeure event, AUL must be notified as soon as it is reasonably possible to do so. Written notice should contain sufficient information to identify the Person. Notices are not considered given until received by AUL at its Home Office in Indianapolis, Indiana or by one of its Claims offices.

CLAIM FORMS FOR PROOF OF LOSS: Upon receipt of the Initial Notice of Disability, AUL will furnish the Policyholder with any necessary claim forms to be given to the Person. These forms must be properly, accurately and truthfully completed and returned to AUL. If, for any reason, the Person does not receive a claim form within [15 days] of request, the Person should submit written proof of Disability. The initial claim form or proof of Disability must show:

- 1) claimant's name;
- 2) Employer's name and address;
- 3) Policy number;
- 4) the date Disability started;
- 5) the cause of Disability; and
- 6) the nature and extent of the Disability.

The initial claim form or proof of Disability must be signed by a Physician and sent to AUL within 90 calendar days of the Benefit Eligibility Period. If it is not possible to give proof within these limits, it must be given as soon as reasonably possible. Proof of claim may not be given later than twelve (12) months after the time proof is otherwise required, except in the absence of legal capacity.

AUL will also periodically send the Person additional claim forms or requests for information necessary to determine eligibility for benefits under this policy. These subsequent claim forms and requests for information must be returned to AUL within [30 days] after the Person receives them.

LEGAL ACTION: No legal action may be brought to obtain benefits or a refund of premium paid under this policy:

- 1) for at least [60 days] after proof of loss or entitlement to a premium refund has been furnished; [or]
- 2) [before any denial or reduction of benefits by AUL has been appealed properly in writing; or]
- 3) no action may be brought after [three (3) years] following the expiration of the time within which proof of loss or entitlement to a premium refund is required by the Policyholder.

TIME OF PAYMENT OF CLAIMS: When AUL receives a claim form or proof of Disability, benefits for which AUL is liable under this policy will be paid.

PAYMENT OF CLAIMS: All benefits are payable to a Person. If a Person dies before a benefit to which he was entitled is paid, AUL has the right to pay the Survivor. If AUL pays benefits in good faith to a person who it considers entitled to such benefits or without notice of closer kinship, then AUL will have no obligation to pay such benefits again. The Lump Sum Disability Benefit Amount will be calculated and paid in United States dollars. All claim payments will be made in compliance with ERISA or in accordance with applicable state laws.

SECTION 7A – CLAIM PROCEDURES

[RIGHT TO APPEAL: If a Person wishes to appeal AUL's decision, claimants are allowed 180 days following receipt of a notification of an adverse benefit determination within which to appeal the determination. Claimants are allowed the opportunity to submit written comments, documents, records and other information relating to the claim for benefits. The claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. Whether a document, record or other information is relevant to a claim for benefits shall be determined by reference to paragraph (m)(8) of 29 C.F.R. § 2560.503-1. AUL's review will take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. A claimant has a right to obtain the information about any voluntary appeal procedures offered by the plan described in paragraph (c)(3)(iv) of 29 C.F.R. § 2560.503-1 and has a right to bring an action under section 502(a) of ERISA. A final determination will be provided pursuant to 29 C.F.R. § 2560.503-1.]

[ARBITRATION: Any controversy or claim arising out of or relating to this policy, the sale or solicitation of this policy, or its breach thereof whether in tort, contract, breach of duty (including but not limited to) any alleged fiduciary, good faith and fair dealing duties, shall be decided by arbitration in accordance with the Federal Arbitration Act, the procedures of the commercial arbitration rules of the American Arbitration Association, and this agreement. The Court of Arbitrators, which is to be held in the county seat where the Person resides, shall consist of three (3) arbitrators familiar with employee welfare benefit plans. The selection of the arbitrators shall be conducted within thirty (30) days after proper service of a demand for arbitration. One of the arbitrators shall be appointed by AUL, one by the insured, and the third shall be selected by the first two appointees prior to the beginning of arbitration. Should the two arbitrators be unable to agree upon the choice of a third, the appointment shall be left to the President or any Vice President of the American Arbitration Association. The arbitrators shall decide by a majority of votes, the award shall be in writing, the decision shall be signed by a majority of the arbitrators, and they shall include a statement regarding the reasons for the disposition of any claim. Judgment on the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The parties are not precluded from challenging the decision under the Federal Arbitration Act or applicable law. Unless not allowed under applicable law, each party shall bear the expense of its own attorney and arbitrator, and shall share equally with the other party the expenses of the third arbitrator and of the arbitration.

The parties agree that AUL is engaged in interstate commerce, and the transaction is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16.

Consistent with the expedited nature of arbitration, each party will, upon the written request of the other party, promptly provide the other with copies of documents relevant to the issues raised by any claim or counterclaim on which the producing party may rely in support of or in opposition to any claim or defense. Any dispute regarding discovery, or the relevance or scope thereof, shall be determined by the arbitrator(s), which determination shall be conclusive. All discovery shall be completed within sixty (60) days following the appointment of the arbitrator(s) or longer following mutual agreement by the parties.]

SECTION 7A – CLAIM PROCEDURES

[RIGHT OF RECOVERY: If benefits have been received for which the Person was not entitled to receive under this policy, then full reimbursement to AUL is required. Such reimbursement is required whether the overpayment is due to intentional or innocent misrepresentations by the Person, intentional or innocent misrepresentations by an entity supplying AUL with information, a claims processing error or miscalculation by AUL or for any other reason. If reimbursement is not made, then AUL has the right, as allowed under law to:

- 1) reduce future benefits or any amounts payable under all other AUL insurance contracts insuring the Person until full reimbursement is made, and
- 2) recover such overpayments from the Person or his estate.

If AUL chooses not to use benefit payments towards the reimbursement, this will not constitute a waiver of AUL's rights to reimbursement. This provision will be in addition to, and not in lieu of, any other compensation available to AUL by law.]

SECTION 8 - INSURING PROVISIONS

LUMP SUM DISABILITY BENEFIT: AUL will pay a Lump Sum Disability Benefit to the Person according to the terms of this policy if, while insured under this policy, a Person:

- 1) satisfies the Elimination Period;
- 2) becomes Permanently and Totally Disabled during the Benefit Eligibility Period; and
- 3) submits the required proof that he is Permanently and Totally Disabled within 90 days of the end of the Benefit Eligibility Period.

The Lump Sum Disability Benefit Amount shown in the Schedule of Benefits is payable to the Person once and will be subject to Reductions and other provisions of this policy.

The Lump Sum Disability Benefit Amount will never exceed the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits.

PHYSICAL EXAMINATION: AUL, at its own expense, has the right to have a Person examined and evaluated to determine the existence of and basis for any Disability. This right may be exercised as often as is reasonably necessary, as determined by AUL, and must be performed by a Physician of AUL's choice.

The Lump Sum Disability Benefit will NOT be payable if:

- 1) the Person dies during the Elimination Period;
- 2) the Person becomes Permanently and Totally Disabled after the last day of the Benefit Eligibility Period;
- 3) the Person is working;
- 4) the Person fails to submit the required claim forms for proof of loss within 90 days of the Benefit Eligibility Period;
- 5) the Person refuses to allow an examination requested by AUL;
- 6) the Person is no longer under the Regular Attendance and care of a Physician;
- 7) the date a Person leaves the United States or Canada and establishes his residence in any other country. A Person will be considered to reside outside these countries when the Person has been residing outside the United States or Canada during the Elimination Period or Benefit Eligibility Period; or
- 8) the Person has a been paid a Lump Sum Disability Benefit under this policy.

RECURRENT RETURN TO WORK PERIOD: As long as the Policyholder's coverage remains in force with AUL, if a Person resumes his [Regular Occupation][Regular Job] for the Policyholder on a full-time basis, and performs each Material and Substantial duty of that occupation for less than the Return to Work Period during the Benefit Eligibility Period (both of which are shown on the Schedule of Benefits), the Disability will be part of the prior period of Disability. Days the Person returns to work for the same Policyholder will not extend the Benefit Eligibility Period. The Disability must be the direct result of the Injury or Sickness that caused the prior Disability. A Person will not have to complete a new Elimination Period. The Lump Sum Disability Benefit will be subject to the terms of this policy for the prior Disability.

If, after the period of Disability as stated in the preceding paragraph, a Person resumes his [Regular Occupation][Regular Job] for the Policyholder on a full-time basis for more than the return to work period as shown on the Schedule of Benefits, any further Disability will be part of a new period of Disability and a new Elimination Period must be completed before a Person may qualify for a Lump Sum Disability Benefit.

ACCUMULATION OF ELIMINATION PERIOD: If a Person satisfies the number of days in the Elimination Period within a period of time that is two times the Elimination Period, then that Disability will be treated as continuous as long as the Policyholder's coverage remains in force with AUL.

SECTION 8 - INSURING PROVISIONS

DEATH OF A PERSON: If a Person dies after qualifying for, but before receiving, the Lump Sum Disability Benefit, the full Lump Sum Disability Benefit Amount will be payable to the Person's Survivor.

[10%-100%] of the Lump Sum Disability Benefit Amount owed after applicable Reductions may be paid to the Survivor if:

- 1) prior to his death, the Person had satisfied the Elimination Period;
- 2) prior to his death the Person was Disabled;
- 3) the Person died during the Benefit Eligibility Period but before satisfying the conditions of Permanent and Total Disability; and
- 4) the Person's death due to complications or was caused by the Person's Disability.

All the General Exclusions pertaining to a Disability listed in Section 9 – EXCLUSIONS would apply.

SECTION 9 - EXCLUSIONS

GENERAL EXCLUSIONS: This policy does not cover any Disability or provide any benefits for a loss caused by, contributed to by, or resulting from:

- 1) participation in war or any act of war, declared or undeclared;
- 2) active participation in a riot;
- 3) attempted suicide, regardless of mental capacity;
- 4) attempted or actual self-inflicted bodily injury or self destruction, including but not limited to the voluntary inhaling or taking of:
 - a) a prescription drug in a manner other than as prescribed by a Physician;
 - b) any federal or state regulated substance in an unlawful manner;
 - c) non-prescription medicine in a manner other than as indicated in the printed instructions;
 - d) poison; and
 - e) toxic fumes;
- 5) commission of or attempt to commit a criminal act under relevant state law;
- 6) Cosmetic Surgery. However, Cosmetic Surgery will be covered when it is due to:
 - a) reconstructive surgery incidental to, or follows surgery resulting from, trauma, infection or other diseases of the involved part; or
 - b) congenital disease or anomaly that has resulted in a functional defect;
- 7) a Person being legally intoxicated as defined by the law of the jurisdiction in which the incident occurs;
- 8) any event that occurs while a Person is incarcerated in a penal or correctional institution;
- 9) participation in voluntary asphyxiation;
- 10) traveling or flying on any aircraft being used for experimental purposes; or
- 11) engaging in any illegal or fraudulent activity, work, or employment.

PRE-EXISTING CONDITION EXCLUSION: *Tailored to the option chosen in the Schedule of Benefits and will apply to that Policyholder. Refer to **PRE-EXISTING EXCLUSION CONDITION DURATION** in the Schedule of Benefits to determine duration by class(es) and option(s).*

[Benefits will not be paid if the Person's Disability begins in the first [5 days],[3, 6, 12 or 24 months] following the Person's Individual Effective Date of Insurance; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [30 days][3, 6, or 12 months] just prior to the Person's Individual Effective Date of Insurance[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [30 days] [3, 6 or 12 months] just prior to the Person's Individual Effective Date of Insurance.]]

Treatment Free Period options:

[Benefits will not be paid if the Person's Disability begins in the first [3, 6, 12, or 24 months] following the Person's Individual Effective Date of Insurance; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [30 days][3, 6 or 12 months] just prior to the Person's Individual Effective Date of Insurance; [or][and]
- 2) [the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [30 days] [3, 6 or 12 months] just prior to the Person's Individual Effective Date of Insurance; and]
- 3) the Person was not Treatment Free for [3, 6, 12, or 24] consecutive months after the Person's Individual Effective Date of Insurance.]]

SECTION 9 - EXCLUSIONS

[When this policy is replacing a Prior Plan of Franchise Coverage, the preceding Pre-Existing Condition Limitation provision will not apply to a Person:

- 1) who is listed on the prior carrier's billing statement for Franchise Coverage for the month prior to the Policyholder's Effective Date or if the prior carrier premium for the Person's Franchise Coverage is paid to within [90 days] of the Policyholder's Effective Date;
- 2) who requests coverage under this policy when he first becomes eligible for coverage; and
- 3) whose coverage under the Prior Plan terminated.

SECTION 9 – EXCLUSIONS

[PRE-EXISTING CONDITION EXCLUSION ON AN INCREASED BENEFIT[OR GUARANTEED INCREASE IN BENEFIT]: This provision applies to an increase in Lump Sum Disability Benefit Amount that occurs after the Policyholder's Effective Date.

This policy will not cover the amount of the increase in Lump Sum Disability Benefit Amount if the Person's Disability begins in the first [6, 12, 18, 24, 36] months following the effective date of the increase in coverage; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [three (3), six (6), twelve (12)] months just prior to his effective date of increase in amount of insurance[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [three (3), six (6), twelve (12)] months just prior to his effective date of increase in amount of insurance.]]

[PRE-EXISTING CONDITION EXCLUSION ON AN INCREASED BENEFIT WHEN CHANGING CARRIERS: This provision applies to an increase in the Lump Sum Disability Benefit Amount when:

- 1) coverage under this policy replaces a Prior Plan;
- 2) coverage under this policy has a Lump Sum Disability Benefit Amount that is in excess of the Prior Plan; and
- 3) the Pre-Existing Condition Limitation on the Prior Plan was for a period of time of [three (3), six (6), twelve (12)] months or less.

This policy will not cover the amount of the increase in Lump Sum Disability Benefit Amount if the Person's Disability begins in the first [6, 12, 18, 24, 36]] months following the Policyholder's Effective Date; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [three (3)] months just prior to his effective date of increase in amount of insurance[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [three (3), six (6), twelve (12)] months just prior to the Policyholder's effective date of increase in amount of insurance.]]

[PRE-EXISTING CONDITION EXCLUSION FOR A CHANGE IN OPTIONS: This provision applies when a Person changes options resulting in an increase in coverage after the Policyholder's Effective Date.

This policy will not cover the Person under the new option if the Person's Disability begins in the first [6, 12, 18, 24, 36] months following the Policyholder's Effective Date; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [three (3), six (6), twelve (12)] months just prior to the Change Effective Date of the change in options[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [three (3), six (6), twelve (12)] months just prior to the Change Effective Date of the change in the option's increase in amount of insurance.]]

A Person will be eligible to receive the Lump Sum Disability Benefit Amount previously approved.]

[SECTION 10 – LIMITATIONS

*[This Section applies when chosen by the Policyholder in the Application. Refer to **DRUG AND ALCOHOL ABUSE LIMITATION** in the Schedule of Benefits to determine if applicable to any class(es) or option(s).*

DRUG AND ALCOHOL ABUSE LIMITATION: The Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to drug and alcohol abuse or a condition caused by or contributed to by drug and alcohol abuse, will be limited to [10%-90%] of the Lump Sum Disability Amount after applicable Reductions.]]

*[This Section applies when chosen by the Policyholder in the Application. Refer to **MENTAL ILLNESS LIMITATION** in the Schedule of Benefits to determine if applicable to any class(es) or option(s).*

MENTAL ILLNESS LIMITATION: The Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to mental illness, will be limited to [10%-90%] of the Lump Sum Disability Amount after applicable Reductions. AUL will not apply the Mental Illness Limitation to a Disability due to dementia if it is a result of:

- 1) stroke;
- 2) trauma;
- 3) viral infection; or
- 4) Alzheimer's disease.]]

*[This Section applies when chosen by the Policyholder in the Application. Refer to **SPECIAL CONDITIONS LIMITATION** in the Schedule of Benefits to determine if applicable to any class(es) or option(s).*

SPECIAL CONDITIONS LIMITATION: Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to a Special Condition , will be limited to [10%-90%] of the Lump Sum Disability Amount after applicable Reductions.

SPECIAL CONDITION means:

- 1) musculoskeletal and connective tissue disorders of the neck and back including any disease or disorder of the cervical, thoracic and lumbosacral back and its surrounding soft tissue including sprains and strains of joints and adjacent muscles, EXCEPT:
 - a) arthritis;
 - b) herniated intervertebral discs;
 - c) scoliosis;
 - d) spinal fractures;
 - e) osteopathies;
 - f) spinal tumors, malignancy, or vascular malformations;
 - g) radiculopathies;
 - h) spondylolisthesis, grade II or higher;
 - i) myelopathies and myelitis;
 - j) demyelinating disease;
 - k) traumatic spinal cord neurosis;
 - l) myofacial pain syndrome;
- 2) chronic fatigue syndrome;
- 3) fibromyalgia;
- 4) carpal tunnel syndrome; or
- 5) environmental allergic illness, including but not limited to sick building syndrome and multiple chemical sensitivity.]]

SECTION 11 - CONTINUITY OF COVERAGE

[Refer to CONTINUITY OF COVERAGE in the Schedule of Benefits to determine applicable class(es) or option(s).]

This Section applies when coverage under this policy:

- 1) replaces a Policyholder's Prior Plan that:
 - a) terminated within 60 days before the Policyholder's Effective Date of coverage under this policy; and
 - b) applies to Persons insured under the Policyholder's Prior Plan on its termination date; or
- 2) replaces a Policyholder's Prior Plan of Franchise Coverage:
 - a) that terminated; and
 - b) applies to Persons insured under the Policyholder's Prior Plan of Franchise Coverage, within [1-90] days before the Policyholder's original Effective Date.

Continuity of Coverage will apply to a Person who would not get coverage under this policy because of the following situations:

- 1) failure of a Person to be Actively At Work due to Disability[,] [or] [an approved Leave of Absence][,] [or temporary layoff] on the Policyholder's Effective Date ; or
- 2) a Pre-Existing Condition limitation or exclusion of this policy, unless replacing a Prior Plan of Franchise Coverage.

BENEFITS FOR A PERSON WHO FAILS TO BE ACTIVELY AT WORK DUE TO DISABILITY

This policy will insure, subject to proper premium payments, a Person who:

- 1) was insured under the Prior Plan on its termination date; and
- 2) is not Actively At Work due to Disability[,] [or] [an approved Leave of Absence][,] [or temporary layoff] on the Policyholder's Effective Date.

Coverage under this provision will begin on the Policyholder's Effective Date and will continue until the EARLIEST of:

- 1) the [end of the month following the]date the Person returns to Active Work; or
- 2) the end of any period of coverage provided under the Prior Plan; or
- 3) the date coverage would otherwise end, according to the provisions of the AUL policy.

The benefits payable will be the lesser of:

- 1) the benefits for which the Person would have been eligible to receive under this policy, if the Person had been Actively at Work; or
- 2) the benefits provided by the Prior Plan, had coverage remained in force,.

This Section of the Continuity of Coverage provision does not establish eligibility for coverage of a Person under this policy. Eligibility can only be met when the Person returns to full-time, Active Work as described in the Eligibility and Individual Effective Date of Insurance Section.]

SECTION 11 - CONTINUITY OF COVERAGE

[BENEFITS PAYABLE FOR PERMANENT AND TOTAL DISABILITY DUE TO A PRE-EXISTING CONDITION
(this section will not apply when this policy is replacing a Prior Plan of Franchise Coverage)]

Benefits may be payable for a Permanent and Total Disability due to a Pre-Existing Condition for a Person who:

- 1) was insured by the Prior Plan on its termination date; and
- 2) has been continuously covered under this AUL policy from the Policyholder's Effective Date through the date the Person's Permanent and Total Disability began.

The benefit payable will be determined by applying this policy's Pre-Existing Condition exclusion. If the Injury or Sickness that causes a Person's Permanent and Total Disability is not excluded under the Pre-Existing Condition exclusion of this policy, then a Person will be paid the Lump Sum Disability Amount.

If the Injury or Sickness which causes a Person's Disability is excluded under the Pre-Existing Condition exclusion of this policy, as shown in the Schedule of Benefits, and such Injury or Sickness is not excluded under the Prior Plan's Pre-Existing Condition exclusion, giving consideration for continuous time covered under both plans, the Person will be paid the lesser of[the following, except the shorter Elimination Period of the two plans will apply]:

- 1) the Lump Sum Disability Amount determined without application of the Pre-Existing Condition exclusion as determined by AUL; or
- 2) the lump sum disability benefits of the Prior Plan.

If the Injury or Sickness is excluded under the Prior Plan's Pre-Existing Condition exclusion, giving consideration for continuous time covered under both Plans, no Lump Sum Disability Amount will be paid.]

[SECTION 12 – PORTABILITY PRIVILEGE]

Refer to **PORTABILITY PRIVILEGE** in the Schedule of Benefits to determine applicable class(es) or option(s).

If a Person's insurance under this policy terminates for any reason other than stated below, the Person is entitled to continue his coverage for [12 months] without submission of Evidence Of Insurability. To be eligible for this Privilege, the Person must have been insured under this policy for at least [12 consecutive months] immediately preceding the Person's individual termination.

This Portability Privilege provides a Lump Sum Disability Benefit Amount equal to [50%] of the coverage the Person had immediately prior to the date of his termination. Any benefits payable under this Section are governed according to the provisions of this policy

This Portability Privilege is subject to the following:

- 1) written application for Portability must be made within 31 calendar days after termination of insurance under this policy;
- 2) payment of the amount of premium owed;
- 3) the premium is based on the Person's age and the premium rate in effect on the date of application for Portability; and
- 4) the effective date for the Person under the Portability Privilege is the date immediately following the date of his termination.

The Portability Privilege is not available to any Person:

- 1) whose insurance under this policy terminates for any of the following reasons:
 - a) the Person enters a class of Participants that are not eligible for coverage under this policy;
 - b) the Person retires (including, but not limited to, when the Person receives payment from any Employer's Retirement Plan as recognition of past services or has concluded his/her working career); or
 - c) the Person fails to pay any required premiums;
 - d) the Person was paid a Lump Sum Disability Benefit;
- 2) who is or becomes insured for any other coverage similar to the type of coverage provided by this policy within 31 days after termination under this policy;
- 3) who is Disabled under the terms of this policy; or
- 4) who is on Leave of Absence.

Insurance under the Portability Privilege will terminate on the earliest of the following dates:

- 1) the last day for which any required premium has been made;
- 2) the date the Person requests termination, but not prior to the date of the request;
- 3) the last day of a Coverage Month, provided that AUL has given at least [31] days prior written notice to the Person;
- 4) the date the Person retires;
- 5) the date this policy terminates;
- 6) the date the Person enters active military service for any country, except for temporary duty of 30 days or less;
- 7) the date that coverage begins under any other insurance policy that provides coverage similar to coverage provided by this policy;
- 8) the date following [12 months] of coverage;
- 9) the date the Lump Sum Disability Benefit is paid to the Person; or
- 10) the date a Person leaves the United States or Canada and establishes his residence in any other country. A Person will be considered to reside outside these countries when the Person has been residing outside the United States or Canada during the Elimination Period or Benefit Eligibility Period.

**AMERICAN UNITED LIFE INSURANCE COMPANY®
INDIANAPOLIS, INDIANA 46206-0368**

Certifies that it has issued and delivered a policy to:

[ABC Company]

(Hereinafter called the Policyholder)

[Insured: *John Doe*

Original Effective Date:

Certificate Number: *1234567890*

Change Effective Date

Coverage for Dependents: **Not Included**

Member: mm/dd/yyyy

Group: mm/dd/yyyy

Policyholder Number: *G 12345678-0000-000*]

This certificate replaces any and all certificates previously issued to the insured Person under the policy indicated above.

American United Life Insurance Company® (AUL) certifies that the Person whose name appears on this certificate and for whom the required premium has been paid is insured under the policy named above. Benefits as described in this certificate are subject to change.

This certificate describes the coverage provided in the policy. The policy determines all rights and benefits in this certificate and may be amended, cancelled, or discontinued at any time by agreement between AUL and the Policyholder, without notice to the Person. Certificates issued in Arkansas will be governed by the state of Arkansas. The policy may be examined at the main office of AUL during regular office hours.



[Thomas M. Zurek
Secretary]



[Dayton H. Molendorp
President and
Chief Executive Officer]

**CERTIFICATE OF INSURANCE
LUMP SUM DISABILITY INSURANCE**

**AMERICAN UNITED LIFE INSURANCE COMPANY®
INDIANAPOLIS, INDIANA 46206-0368**

Certifies that it has issued and delivered a policy to:

[ABC Company]

(Hereinafter called the Policyholder)

[Policy Number: *G 12345678-0000-000*
Class: 01

Change Effective Date: mm/dd/yyyy

This certificate replaces any and all certificates previously issued to the insured Person under the policy indicated above.

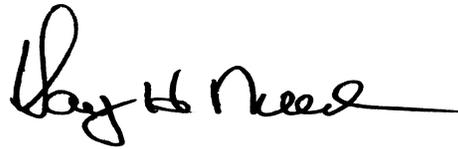
American United Life Insurance Company® (AUL) certifies that the Person whose enrollment form is on file with the Policyholder or AUL as being eligible for insurance and for whom the required premium has been paid is insured under the above numbered policy for group insurance benefits as designated in the Schedule of Benefits. Benefits as described in this certificate are subject to change.

This certificate describes the coverage provided in the policy. The policy determines all rights and benefits in this certificate and may be amended, cancelled, or discontinued at any time by agreement between AUL and the Policyholder without notice to the Person. Certificates issued in Arkansas will be governed by the state of Arkansas.

The policy may be examined at the main office of AUL during regular office hours.



[Thomas M. Zurek
Secretary]



[Dayton H. Molendorp
President and
Chief Executive Officer]

**CERTIFICATE OF INSURANCE
LUMP SUM DISABILITY INSURANCE**

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SECTION 1 - SCHEDULE OF BENEFITS

ELIGIBLE CLASS	[Full Time Participants.]
CLASS NUMBER	[001]
[Option	[01]]
REQUIREMENT FOR FULL TIME PARTICIPANTS	[[30] hours or more [per week][bi-weekly][per month][per quarter][semi-annually][annually]. See Section 3.]
	<i>OR</i>
	[[1-365 days][1-52 Weeks] or more per year. See Section 3.]
	<i>OR</i>
	[[1-365 days][1-52 Weeks] or more per year averaged over [2-52 weeks][2-365 days]. See Section 3.]
	<i>OR</i>
	[[30] hours or more [per week][bi-weekly][per month][per quarter][semi-annually][annually] averaged over [2-52 weeks][2-365 days]. See Section 3.]
BENEFIT ELIGIBILITY PERIOD	[First day following the end of the Elimination Period][6, 12, 18, 24, 30, 36] months following the Elimination Period.] See Section 2.
CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY AND MEDICAL LEAVE ACT (FMLA)	This provision is [not] included for this class. See Section 5B.
CONTINUATION OF PERSONAL INSURANCE DURING A [LEAVE OF ABSENCE] [AND] [TEMPORARY LAYOFF]	This provision is [not] included for this class. See Section 5C.
CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE FOR ACTIVE MILITARY SERVICE	This provision is [not] included for this class. See Section 5D.
CONTINUITY OF COVERAGE	This benefit is [not] included for this class. See Section 11.
ELIMINATION PERIOD (EP)	[30-720] days. See Section 2.
Accumulation of EP	[60-1,440] days. See Section 8

SECTION 1 - SCHEDULE OF BENEFITS

[[REDUCTIONS: Upon attainment of the age [65], the Lump Sum Disability Benefit Amount will reduce [by][to] [50%]. [Upon attainment of the age [70], the Lump Sum Disability Benefit Amount will reduce [by][to] [70%] of the [original][reduced] amount. Upon attainment of the age [80], the Lump Sum Disability Benefit Amount will reduce [by][to] [90%] of the [original][reduced] amount.]]

OR

[REDUCTIONS: Upon attainment of the age [65], the Lump Sum Disability Benefit Amount will reduce [by][to] [\$10,000]. Upon attainment of the age [70], the Lump Sum Disability Benefit Amount will reduce [by][to] [\$5,000] of the [original][reduced] amount. Upon attainment of the age [80], the Lump Sum Disability Benefit Amount will reduce [by][to] [\$1,000].]

OR

[REDUCTIONS: The Lump Sum Disability Benefit Amount will begin reducing to percentages shown below when the Participant reaches age [65, 70, 75, 80, 85]. The percentage of coverage remaining once the Participant attains various ages will be as follows:

[STANDARD REDUCTION STARTING AT AGE 65

PARTICIPANT'S AGE	REDUCED BENEFIT PERCENTAGE
[65]	[70%]
[70]	[45%]
[75]	[30%]
[80]	[25%]
[85]	[20%]
[90]	[15%]]

OR

[STANDARD REDUCTION STARTING AT AGE 60

PARTICIPANT'S AGE	REDUCED BENEFIT PERCENTAGE
[60]	[70%]
[65]	[50%]
[70]	[30%]
[75]	[20%]
[80]	[15%]]

OR

[REDUCTIONS: Benefits do not reduce based on age.]]

SECTION 1 - SCHEDULE OF BENEFITS

LUMP SUM DISABILITY BENEFIT AMOUNT

[Flat Amount: [\$1,000, \$2,000, \$3,000 - \$1,000,000].]

OR [incremental options as selected by the Policyholder and agreed to by AUL.]

[The Lump Sum Disability Amount is a flat amount available in [\$1,000] increments. The minimum Lump Sum Disability Amount is [\$1,000]. The maximum Lump Sum Disability Amount is [\$1,000,000].]

OR [options as selected by the Policyholder and agreed to by AUL.]

[option 1] [option 2] [option 3] [option 4] [option 5]
[\$1,000] [\$5,000] [\$15,000] [\$30,000] [\$50,000]

[option 6] [option 7] [option 8] [option 9] [option 10]
[\$60,000] [\$70,000] [\$80,000] [\$90,000] [\$100,000]

See Section 8.

MAXIMUM LUMP SUM DISABILITY BENEFIT AMOUNT

[\$1,000, \$2,000, \$3,000 - \$1,000,000]

PARTICIPANT PREMIUM CONTRIBUTIONS

[Non-contributory][Contributory]. See Section 3.

POLICY MONTH

A period that begins on the [first] day of the month and ends on the [last] day of the month.

[PORTABILITY PRIVILEGE

This privilege is [not] included for this class. See Section 12.]

[PRE-EXISTING CONDITION EXCLUSION

Duration

[30/5][5 day][3/12][6/12][6/24][12/12][12/24]
[3/3/12][3/6/12][6/6/12][12/6/12][6/6/24][6/12/24][12/6/24][12/12/24]
See Section 9.]

SECTION 1 - SCHEDULE OF BENEFITS

GUARANTEED ISSUE AMOUNT (GIA)	[\$0, \$1,000, \$5,000, \$6,000, \$7,000 - \$1,000,000]
GUARANTEED ISSUE AMOUNT (GIA) FOR A LATE ENROLLEE	[\$0, \$1,000, \$2,000, \$3,000 - \$250,000]
GUARANTEED INCREASE IN BENEFIT (GIB) [GIB Amount]	This benefit is [not] included for this class. See Section 4. [\$1,000, \$2,000, \$3,000 - \$250,000]
INDIVIDUAL EFFECTIVE DATE Initial Participants	Policyholder's Effective Date if the Participant has satisfied his Waiting Period on or before said date, otherwise [immediately following the Waiting Period][the first day of the Coverage Month following the Initial Enrollment Period][the Policyholder's Anniversary Date following the Initial Enrollment Period][the First day of the Coverage Month following the Scheduled Enrollment Period]. See Section 3
New Participants	[Immediately following the Waiting Period.][First day of the Coverage Month following the Initial Enrollment Period.][Policyholder's Anniversary Date following the Initial Enrollment Period.][First day of the Coverage Month following the Scheduled Enrollment Period.] See Section 3.
INDIVIDUAL REINSTATEMENT	This provision is [not] included for this class. Application must be made within [30][60][90][120][180][360][365] days from termination date. Effective [immediately][first day of the Coverage Month]. See Section 5A.
[INITIAL ENROLLMENT PERIOD Initial Participants New Participants	Between [MM/DD/YYYY and MM/DD/YYYY.] [[[30] Days following the Participant's Eligibility Date.][The Scheduled Enrollment Period beginning on the Participant's Eligibility Date.] See Section 3.]
[LIFE EVENT BENEFIT (LEB) [Life Event Benefit Amount]	This benefit is [not] included for this class. See Section 4.] [\$1,000, \$2,000, \$3,000 - \$250,000]
[LIMITATIONS [Drug and Alcohol Limitation [Mental Illness Limitation [Special Conditions Limitation]	[10%-90%] of the Lump Sum Disability Amount. See Section 10.] [10%-90%] of the Lump Sum Disability Amount. See Section 10.] [10%-90%] of the Lump Sum Disability Amount. See Section 10.]

SECTION 1 - SCHEDULE OF BENEFITS

RECURRENT RETURN TO WORK PERIOD	[[30][60][90][120] days]. See Section 8.
SCHEDULED ENROLLMENT PERIOD	[[90] days prior to the Policyholder's Anniversary Date.]
WAITING PERIOD	
Initial Participants	[0-360] [days, months, years]
New Participants	[0-360] [days, months, years] See Section 2.
[WAIVER OF PREMIUM	This benefit is [not] included for this class. See Section 6.]

SECTION 2 – DEFINITIONS

[ACTIVE WORK and ACTIVELY AT WORK means the regular and full-time use of time and energy in the services of the Person's [Regular Occupation][Regular Job]. The Person must be physically and mentally capable of performing each of the Material and Substantial duties of his [Regular Occupation][Regular Job] on a regular full-time basis.

This includes time off for vacation, jury duty, paid holidays, and funeral leave, where the Person could have been Actively At Work on that day.]

Active Work does not include periods of time when a Participant is not Actively At Work following an Injury, Sickness, strike, lock-out, layoff, after a Participant's employment has ended voluntarily or involuntarily, or periods of time the terminated Participant receives accrued vacation pay or other employment related benefits after his employment termination date.

BENEFIT ELIGIBILITY PERIOD means the period of consecutive days the Person is Disabled commencing the first day following the Elimination Period and continuing for the number of months identified in the Schedule of Benefits.

COSMETIC SURGERY means surgery that is performed to change the texture, shape, or structure of any part of the human body for the purpose of beautifying or creating a different visual appearance.

CONTRIBUTORY INSURANCE means insurance for which the Person pays part or all of the premium.

COVERAGE MONTH means that period of time beginning on the Person's Individual Effective Date, and continuing from the first day and ending on the last day of each succeeding Policy Month.

DATE OF HIRE means the first day the Participant is Actively At Work in an eligible class of the Policyholder.

DATE OF DISABILITY means the first date the Person is Disabled.

DISABILITY and DISABLED means that, due to Sickness or Injury, a Person during the Elimination Period and/or Benefit Eligibility Period:

- 1) is unable to perform one or more of the Material and Substantial Duties of his [Regular Occupation][Regular Job][any occupation] on a full-time basis; [and][or
- 2) is performing at least one of the Material and Substantial Duties of his [Regular Occupation][Regular Job] or another occupation on a part time basis and is working for the Policyholder less than 80% of his regular hours, that does not include overtime pay, during the six weeks prior to the Person's Date of Disability; and]
- 3) is under the Regular Attendance of a Physician for that Sickness or Injury.

DUE DATE means the first day of the Coverage Month for which the premium is payable.

SECTION 2 – DEFINITIONS

ELIGIBILITY DATE means the date that a Participant, in an eligible class as stated in the Schedule of Benefits, has satisfied his Waiting Period and AUL determines is eligible for Personal Insurance under the policy.

ELIMINATION PERIOD means a period of [consecutive] [days][weeks][months][years] the Person is Disabled beginning on the Date of Disability.

EMPLOYER means the entity or organization for which the Person performs services and which has the right to control what will be done and how it will be done. An Employer has the right to control the details of how the services are performed by the Person. The Person must not be considered an independent contractor or agent unless classified by the IRS as a statutory employee of the Employer. The Employer is the entity or organization for which the Person performs his [Regular Occupation][Regular Job], and is required to withhold and pay income, social security, and Medicare taxes on wages.

EMPLOYER'S RETIREMENT PLAN means any defined benefit or defined contribution plan that is sponsored by the Employer.

EVIDENCE OF INSURABILITY means a statement or proof of a Person's medical history, upon which acceptance for insurance will be determined by AUL.

FRANCHISE COVERAGE means disability insurance coverage which allows Participants to be insured as part of their relationship with the Policyholder but such coverage is not part of an employee welfare benefit plan and the Participants are insured under individual policies.

[**GUARANTEED INCREASE IN BENEFIT (GIB)** means an additional amount of coverage that may be available to a Person once a year if certain specified conditions are met.]

GUARANTEED ISSUE AMOUNT (GIA) means the amount of coverage that does not require Evidence of Insurability. This amount is stated in the Schedule of Benefits.

INDIVIDUAL REINSTATEMENT means that Personal Insurance that has been terminated due to cessation of Active Work may be reinstated in accordance with Section 5A of the policy.

INJURY means a sudden, unforeseen and unexpected event that occurs independently of all other causes and causes physical harm to the Person. This includes all other conditions related to the same Injury.

[**LIFE EVENT BENEFIT (LEB)** means an increase or decrease in coverage resulting from specific events occurring in a Person's life.]

LUMP SUM DISABILITY BENEFIT means the benefit amount payable to a Person who is Permanently and Totally Disabled, according to the provisions of the policy as approved by AUL and stated in the Schedule of Benefits.

MALE PRONOUN whenever used includes the female.

MATERIAL AND SUBSTANTIAL DUTIES means duties that:

- 1) are normally required for the performance of an occupation; and
- 2) cannot be reasonably omitted or modified.

SECTION 2 – DEFINITIONS

MENTAL ILLNESS means a psychiatric or psychological condition classified in the *Diagnostic and Statistical Manual of Mental Health Disorders (DSM)*, published by the American Psychiatric Association, most current as of the start of a Disability. Such disorders include, but are not limited to, psychotic, emotional or behavioral disorders, or disorders related to stress or to substance abuse or dependency. If the *DSM* is discontinued or replaced, these disorders will be those classified in the diagnostic manual then used by the American Psychiatric Association as of the start of a Disability.

NON-CONTRIBUTORY INSURANCE means insurance for which the Person pays none of the premium.

PARTICIPANT means any individual who is a full-time employee, shareholder, owner, proprietor, partner, member, or corporate officer of the Policyholder:

- 1) whose employment with the Policyholder constitutes his principal occupation;
- 2) who works at that occupation a minimum number of hours as stated in the Schedule of Benefits;
- 3) who is working at the Policyholder's regular place of business which may include an alternative worksite if approved by the Policyholder and AUL;
- 4) who is not a part-time, temporary or seasonal Participant or worker;
- 5) who is authorized to work in the United States under applicable state and federal laws; and
- 6) if approved by AUL:
 - a) who legally works and resides in Canada;
 - b) who legally works in the United States and resides in Canada; or
 - c) who legally works in Canada and resides in the United States.

PERMANENT and TOTAL DISABILITY and PERMANENTLY and TOTALLY DISABLED means that, due to Sickness or Injury, a Person is:

- 1) expected to be unable to perform the Material and Substantial Duties of [his Regular Occupation][his Regular Job][any occupation] for which he is reasonably fitted by training, education or experience on a full-time basis for a continuous period of not less than [24] months;
- 2) not working;
- 3) not engaged in any activity for profit, such as a business or investment activity;
- 4) not receiving income or revenue from an activity which is a hobby; and
- 5) under the Regular Attendance of a Physician for that Sickness or Injury.

If the Person's [Regular Occupation][Regular Job] requires a license, loss of this license for any reason does not in itself constitute Permanent and Total Disability.]

PERSON means a Participant who has met the requirements of the ELIGIBILITY, ENROLLMENT AND INDIVIDUAL EFFECTIVE DATE section of the policy.

PERSONAL INSURANCE means the coverage provided under the policy for a Person.

PHYSICIAN means a qualified, state licensed doctor of medicine or osteopathy, and any other licensed health care provider that state law requires to be recognized as a Physician, practicing within the scope of his license and applicable law. Physician does not include a Physician employed by the Policyholder, a Person or anyone related to a Person by blood or marriage .

SECTION 2 – DEFINITIONS

POLICYHOLDER means any sole proprietorship, partnership, member, corporation, limited liability company, limited liability partnership, firm, school district, individual school, union, association, organization, or instrumentality of a state or political subdivision thereof, that has been approved by AUL and to whom the policy is issued. An entity that is subsidiary to or affiliated with the Policyholder as defined below is eligible for coverage under the policy if it is shown on the Application or later added by amendment to the policy.

A subsidiary may be included in this definition when the Policyholder owns more than 50% of the voting stock of the entity.

An affiliate may be included in this definition when the entity is under common control with the Policyholder through 51% or more ownership and control.

The Policyholder is liable for all premiums due for subsidiaries and affiliates during any period of time a subsidiary and/or affiliate is insured under the policy. Any notice given to the Policyholder by AUL shall be considered notice given to the subsidiary and/or affiliate.

POLICYHOLDER'S EFFECTIVE DATE means the date on which coverage is actually effective for the Policyholder under the policy as determined by AUL.

POLICYHOLDER'S ANNIVERSARY DATE means [March 1st] of each year.

PRE-EXISTING CONDITION means any condition for which a Person [or for which an ordinarily prudent Person] did or would have done any of the following at any time during the [30 days][[3] 6] [12] months] immediately prior to a Person's Individual Effective Date of Insurance, whether or not that condition was diagnosed at all or was misdiagnosed:

- 1) received medical treatment or consultation;
- 2) taken or were prescribed drugs or medicine; or
- 3) received care or services including diagnostic measures.

PRIOR PLAN means the Policyholder's plan of lump sum disability insurance or benefit plan having similar features to Lump Sum Disability that terminated on the day immediately before the Policyholder's Effective Date of coverage under the policy.

[REGULAR ATTENDANCE means that a Person:

- 1) personally meets with or visits a Physician as medically required according to standard medical practice, to effectively manage and treat his Disability;
- 2) is receiving the most appropriate treatment and care that will maximize his medical improvement and aid in his return to work; and
- 3) is receiving care by a Physician whose specialty or clinical experience is appropriate for the Disability.]

[REGULAR JOB means the job a Person was performing for the Policyholder immediately prior to the Date of Disability.]

SECTION 2 – DEFINITIONS

[REGULAR OCCUPATION means a Person's occupation as it is recognized in the general workplace and according to industry standards. The Person's time, energy and services must be performed at his [Employer's][Policyholder's] regular place of employment, or an alternative worksite approved by AUL. For Actively at Work requirements, a Person's alternative worksite may not be located outside of the United States or Canada for more than 6 months in any 12-month period. A Person's occupation does not mean the specific job tasks he does for a [Policyholder][Employer] or at a specific location. For example, an attorney's Regular Occupation means the practice of law as defined under applicable laws versus a specialized area within the practice of law.]

SICKNESS means illness, bodily disorder or disease, Mental Illness, normal pregnancy and complications of pregnancy. Complications of pregnancy are defined as concurrent disease or abnormal conditions significantly effecting the usual medical management of pregnancy.

SPOUSE means an individual to whom the Person is married.

However, for purposes of insurance under the policy, Spouse does not include an individual from whom the Person is divorced.

SURVIVOR means a relative entitled to inherit under intestate succession laws , in the following order: a Person's Spouse, child(ren), grandchildren, great grandchildren, parent(s), siblings, nieces and nephews, grandparents, aunts and uncles.

[TREATMENT FREE means the Person has not received medical treatment, consultation, care or services including diagnostic measures, and the Person has not taken or been prescribed drugs or medicines for the Pre-existing Condition.]

[WAITING PERIOD means the period of days, starting on the Date Of Hire, that a Participant must be continuously Actively at Work while in an eligible class. Initial Participants will be given credit for time served under the Policyholder's prior carrier if the policy replaced the same type of coverage he had with the prior carrier. [Part time employees will receive credit for the number of continuous days worked for the Policyholder immediately prior to being hired as a full time Participant.] The Waiting Period is stated in the Schedule of Benefits.]

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

INITIAL PARTICIPANT means a Participant who is employed by the Policyholder before the Policyholder's Effective Date.

NEW PARTICIPANT means a Participant who is employed by the Policyholder on or after the Policyholder's Effective Date.

ELIGIBILITY DATE: A Participant who is in an eligible class as stated in the Schedule of Benefits and has satisfied his Waiting Period, becomes eligible for Personal Insurance under the policy on:

- 1) *Initial Participant*:
 - a) the Policyholder's original Effective Date of coverage under the policy; [or]
 - b) [the day immediately following completion of the Waiting Period]; or]
 - c) [the first day of the Coverage Month immediately following completion of the Waiting Period].
- 2) *New Participant*]:
 - a) [the day immediately following completion of the Waiting Period]; or]
 - b) [the first day of the Coverage Month immediately following completion of the Waiting Period]].

INDIVIDUAL EFFECTIVE DATE OF INSURANCE: This means the date a Participant's Personal Insurance first becomes effective under the policy. This date only applies to the Lump Sum Disability Benefit Amount less than or equal to the Guaranteed Issue Amount shown in the Schedule of Benefits for the Person's class.

If a Participant is not Actively At Work on the date insurance would otherwise become effective, the Individual Effective Date of Insurance cannot begin until the date the Participant returns to full-time Active Work for the Policyholder.

AMOUNTS IN EXCESS OF THE GUARANTEED ISSUE AMOUNT: Any portion of the Lump Sum Disability Benefit Amount that exceeds the Guaranteed Issue Amount will require Evidence of Insurability satisfactory and without expense to AUL. If the excess portion is approved, the effective date for that portion will be named by AUL. If the excess portion is not approved by AUL, the Lump Sum Disability Benefit Amount will be an amount equal to the Guaranteed Issue Amount.

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

INITIAL PARTICIPANT means a Participant who is employed by the Policyholder before the Policyholder's Effective Date.

NEW PARTICIPANT means a Participant who is employed by the Policyholder on or after the Policyholder's Effective Date.

LATE ENROLLEE: A Late Enrollee is an Initial or New Participant who is Actively At Work, but does not request coverage during his Initial Enrollment Period. [Enrollment for Late Enrollees can only occur annually during the Scheduled Enrollment Period.] [If a Late Enrollee was previously declined coverage by AUL for medical reasons, he will not be eligible for the Guaranteed Issue Amount for Late Enrollees and he will be required to submit satisfactory Evidence of Insurability, without expense to AUL.]

ELIGIBILITY DATE: A Participant who is in an eligible class as stated in the Schedule of Benefits and has satisfied his Waiting Period, becomes eligible for Personal Insurance under the policy on:

- 1) *Initial Participant:*
 - a) the Policyholder's original Effective Date of coverage under the policy; [or]
 - b) [the day immediately following completion of the Waiting Period]; [or]
 - c) [the first day of the Coverage Month immediately following the Waiting Period]; [or]
 - d) [the Policyholder's Anniversary Date following the Initial Enrollment Period]; [or]
 - e) [the first day of the Coverage Month following the next Scheduled Enrollment Period].
- 2) *New Participant:*
 - a) the day immediately following completion of the Waiting Period; [or]
 - b) [the first day of the Coverage Month immediately following the Waiting Period]; [or]
 - c) [the Policyholder's Anniversary Date following the Initial Enrollment Period]; [or]
 - d) [the first day of the Coverage Month following the next Scheduled Enrollment Period].
- 3) *Late Enrollee:*
 - a) [the Policyholder's Anniversary Date following the next Scheduled Enrollment Period]; [or]
 - b) [the first day of the Coverage Month following the next Scheduled Enrollment Period]].

[ENROLLMENT: To be considered for coverage, an eligible Participant must apply correctly and truthfully for Personal Insurance under the policy. Eligible Participants applying for Personal Insurance must complete and sign a written request for coverage on an enrollment form approved by AUL and pay the required premiums before coverage will become effective. This form will be given to and maintained by the Policyholder. Coverage may only be requested during an Initial or Scheduled Enrollment Period, as follows:]

- 1) INITIAL ENROLLMENT PERIOD: The Initial Enrollment Period is the time during which an eligible Participant who is Actively At Work may first apply for coverage following completion of the Waiting Period without providing Evidence Of Insurability. An eligible Participant may waive coverage or request coverage under any option offered by the Policyholder for his class. The Initial Enrollment Period includes the following periods, during which a Participant may make his initial written application for coverage under the policy:
 - a) *Initial Participant:* the Initial Enrollment Period, which is the period of time agreed to by AUL and the Policyholder and is stated in the Schedule of Benefits.
 - b) *New Participant:* the Initial Enrollment Period, which is shown on the Schedule of Benefits as either:
 - i) the period that begins on the Eligibility Date and continues through the number of days as shown on the Schedule of Benefits; or
 - ii) the Scheduled Enrollment Period beginning on the Eligibility Date.]

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

- 2) **SCHEDULED ENROLLMENT PERIOD:** This is a recurrent period of days, as stated in the Schedule of Benefits, after the Policyholder's original Effective Date, during which:
- a) a New Participant [or eligible Late Enrollee] may apply in writing, on an AUL approved enrollment form, for coverage under the policy[.]; or[[
 - b) a Person may change from one Lump Sum Disability Benefit option to another Lump Sum Disability Benefit option under the policy, with satisfactory Evidence of Insurability[.]; or[[
 - c) an eligible Person may increase their Lump Sum Disability Benefit Amount by the Guaranteed Increase In Benefit Amount as stated in the Schedule of Benefits without Evidence of Insurability. See Section 4[.]; or[[
 - d) an eligible Person may increase their Lump Sum Disability Benefit Amount to an amount in excess of the Guaranteed Increase In Benefit Amount as stated in the Schedule of Benefits with satisfactory Evidence of Insurability. See Section 4[.]; or[[
 - e) an eligible Late Enrollee may apply in writing for a Lump Sum Disability Benefit Amount in excess of the Guaranteed Issue Amount for Late Enrollees as stated in the Schedule of Benefits with satisfactory Evidence of Insurability. See Section 4.]

The Scheduled Enrollment Period is chosen by the Policyholder and must be approved by AUL.]]

- 3) **DELAYED ENROLLMENT PERIOD:** An eligible Initial or New Participant who is not Actively At Work during his Initial Enrollment Period may apply for Personal Insurance without providing Evidence of Insurability. He may do this if:
- a) he has returned to full-time Active Work;
 - b) he is in an eligible class as stated in the Schedule of Benefits;
 - c) his Waiting Period was completed prior to his cessation of Active Work; and
 - d) he applies within 31 days of the day he returns to Active Work.]]

EVIDENCE OF INSURABILITY: Evidence of Insurability is required if:

- 1) the Participant applies for Lump Sum Disability Insurance in excess of the Guaranteed Issue Amount as stated in the Schedule of Benefits;[
- 2) the Late Enrollee applies for Lump Sum Disability Insurance;]]
- 3) the Late Enrollee applies for Lump Sum Disability Insurance in excess of the Guaranteed Issue Amount for Late Enrollees as stated in the Schedule of Benefits;]]
- 4) the Person applies for Lump Sum Disability Insurance in excess of the Guaranteed Increase In Benefit Amount as stated in the Schedule of Benefits;] or
- 5) the Participant applies for Lump Sum Disability Insurance after termination of insurance due to failure to pay the required amount of premium timely.

Any amount of insurance for which the Participant or Person requests greater than the Guaranteed Issue Amount will only be available following written approval by AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If insurance for amounts greater than the Guaranteed Issue Amount is approved, coverage will begin on the date identified in writing by AUL. If an amount greater than the Guaranteed Issue Amount is not approved by AUL, the Lump Sum Disability Benefit Amount will be equal to the Guaranteed Issue Amount and will be effective as set forth in the Individual Effective Date of Insurance provision of the policy.

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

INDIVIDUAL EFFECTIVE DATE OF INSURANCE

Initial Participant:

- 1) The Individual Effective Date of Insurance for an eligible Initial Participant who has satisfied his Waiting Period prior to the Policyholder's Effective Date is the Policyholder's original Effective Date under the policy as long as an Initial Participant:
 - a) requested coverage during the Initial Enrollment Period; and
 - b) is Actively At Work for the Policyholder on that date.
- 2) The Individual Effective Date of Insurance for an eligible Initial Participant who has not satisfied his Waiting Period prior to the Policyholder's Effective Date is:
 - a) *[Immediately following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is the date of the request as long as the New Participant:
 - i) requested coverage during the Initial Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]
 - b) *[First day of the Coverage Month following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is [the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month][the first day of the next Coverage Month following the Participant's Date of Hire] as long as the New Participant:
 - i) requested coverage during the Initial Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]
 - c) *[Policyholder's Anniversary Date following the Initial Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the Policyholder's Anniversary Date following the Initial Enrollment Period as long as the New Participant:
 - i) requested coverage during the Initial Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]
 - d) *[First day of the Coverage Month following the Scheduled Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the first day of the Coverage Month following the Scheduled Enrollment Period as long as the New Participant:
 - i) requested coverage during the Scheduled Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

New Participant:

The Individual Effective Date of Insurance for an eligible New Participant depends on the Policyholder's selection on the Application, as described below:

- 1) *[Immediately following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is the date of the request as long as the New Participant:
 - a) requested coverage during the Initial Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]
- 2) *[First day of the Coverage Month following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is [the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month][the first day of the next Coverage Month following the Participant's Date of Hire] as long as the New Participant:
 - a) requested coverage during the Initial Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]
- 3) *[Policyholder's Anniversary Date following the Initial Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the Policyholder's Anniversary Date following the Initial Enrollment Period as long as the New Participant:
 - a) requested coverage during the Initial Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]
- 4) *[First day of the Coverage Month following the Scheduled Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the first day of the Coverage Month following the Scheduled Enrollment Period as long as the New Participant:
 - a) requested coverage during the Scheduled Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]]

[Late Enrollee: The Guaranteed Issue Amount for a Late Enrollee is stated in the Schedule of Benefits. The Individual Effective Date of Insurance for an eligible Late Enrollee is the Policyholder's Anniversary Date following the date of the Late Enrollee request as long as the Late Enrollee:

- 1) requested coverage during the Scheduled Enrollment Period;
- 2) has completed the Waiting Period for New Participants; and
- 3) is Actively At Work on the Individual Effective Date of Insurance.

SECTION 4 - CHANGES IN INSURANCE

[EFFECTIVE DATE OF CHANGE (Immediate & GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction; or
- 2) the date of AUL's written approval of the change.

Prior to a change in coverage that increases coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium must be paid.

A change increasing the amount of coverage equal to or less than the GIB offer takes effect the date the Person becomes eligible for the change in coverage.

A change in coverage increasing the amount of coverage exceeding the Person's GIB offer takes effect the date the Person becomes eligible for the change in coverage and is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the approved change date, any change in the amount of coverage takes effect on the date the Person returns to Active Work.]

[EFFECTIVE DATE OF CHANGE (first of the Coverage Month & GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the first day of the Coverage Month following any scheduled reduction;
- 2) the first day of the Coverage Month following AUL's written approval of the change, if the date is the first day of the Coverage Month; or
- 3) the first day of the next Coverage Month following AUL's written approval of the change, if the date is after the first day of the Coverage Month.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium must be paid.

A change increasing the amount of coverage equal to or less than the GIB offer takes effect on:

- 1) the first day of the Coverage Month; if the Person becomes eligible for the change on the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the date the Person becomes eligible for the change in coverage, if the date is after the first day of the Coverage Month.

A change in coverage increasing the amount of coverage above the Person's GIB offer is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the effective date of the approved increase, any increase in the amount of coverage takes effect on:

- 1) the first day of the Coverage Month if the Person returns to Active Work on the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work, if the date is after the first day of the Coverage Month.]

SECTION 4 - CHANGES IN INSURANCE

[CHANGING LUMP SUM DISABILITY OPTIONS: After the Initial Enrollment Period, a Person may increase his coverage to another option available to his class only during a Scheduled Enrollment Period. The request for a change in option and agreement to pay the required premium must be made in writing on a form approved by AUL, subject to the following:

- 1) an increase in coverage to the next higher option available to a Person's class will not require Evidence of Insurability;
- 2) requests to increase coverage to an option other than the next higher option will not be allowed; and
- 3) if a Person fails to apply for an increase in coverage during the Scheduled Enrollment Period, he will continue to be covered under his current option until the next Scheduled Enrollment Period.

If the Person is not Actively At Work on the Effective Date of Change, the Person becomes eligible for the change on the first day that the Person returns to Active Work.]

DECREASING THE LUMP SUM DISABILITY BENEFIT AMOUNT: A Person may decrease the amount of his coverage at any time. Any decrease in coverage will become effective [immediately][the first day of the Coverage Month] following the date of the request.

Any change in insurance, other than a decrease in the amount of coverage or an increase in coverage to the next higher option as stated above, will require satisfactory Evidence of Insurability.

If a change in options results in an increase in coverage, the provision entitled Pre-Existing Condition Exclusion For A Change In Options, shown in Section 9 - EXCLUSIONS, will apply.

SECTION 4 - CHANGES IN INSURANCE

[EFFECTIVE DATE OF CHANGE (anniversary & GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction;
- 2) the Policyholder's Anniversary Date following AUL's written approval of the change, if the date of AUL's approval is the Policyholder's Anniversary Date; or
- 3) the Policyholder's Anniversary Date next following AUL's written approval of the change, if the date of AUL's approval is after the Policyholder's Anniversary Date.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium be paid.

A change in coverage increasing the amount of coverage not exceeding the Person's GIB offer takes effect on:

- 1) the Policyholder's Anniversary Date, if the date is the Policyholder's Anniversary Date; or
- 2) the Policyholder's Anniversary Date next following the date the Person becomes eligible for the change in coverage, if the date is after the Policyholder's Anniversary Date.

A change in coverage increasing the amount of coverage exceeding the Person's GIB offer is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the Policyholder's Anniversary Date that is the approved change date, any increase in the amount of coverage takes effect on the date the Person returns to Active Work.]

[EFFECTIVE DATE CHANGE (anniversary & No GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction;
- 2) the Policyholder's Anniversary Date following AUL's written approval of the change, if the date of AUL's approval is the Policyholder's Anniversary Date; or
- 3) the Policyholder's Anniversary Date next following AUL's written approval of the change, if the date of AUL's approval is after the Policyholder's Anniversary Date.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium be paid.

If the Person is not Actively at Work on the Policyholder's Anniversary Date that is the approved change date, any increase in the amount of coverage takes effect on:

- 1) the date the Person returns to Active Work, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work.]

SECTION 4 - CHANGES IN INSURANCE

[EFFECTIVE DATE OF CHANGE (1st of Coverage Month & No GIB)

A change in coverage that does not increase the amount of coverage takes effect on:

- 1) the first day of the Coverage Month following any scheduled reduction;
- 2) the first day of the Coverage Month following AUL's written approval of the change, if the date is the first day of the Coverage Month; or
- 3) the first day of the next Coverage Month following AUL's written approval of the change, if the date is after the first day of the Coverage Month.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium be paid.

A change increasing the amount of coverage is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the approved change date, any change in the amount of coverage takes effect on:

- 1) the date the Person returns to Active Work, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work, if the date is after the first day of the Coverage Month.]

[EFFECTIVE DATE OF CHANGE (Immediate & No GIB)

A change in coverage that does not increase the amount of a Person's coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction; or
- 2) the date of AUL's written approval of the change.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for an injury or Sickness)] must be Actively at Work and the required amount of premium be paid.

A change increasing the amount of coverage is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If a Person is not Actively at Work on the approved change date, any increase in the amount of coverage takes effect on the date the Person returns to Active Work.]

[If the change is an increase in the Lump Sum Disability Benefit Amount, the provision entitled Pre-Existing Condition Exclusion On An Increased Lump Sum Disability Benefit Amount, as shown in Section 9 - EXCLUSIONS, will apply to the increased amount.]

SECTION 4 - CHANGES IN INSURANCE

[GUARANTEED INCREASE IN BENEFIT (GIB)]

The Person may apply for the GIB, which is an additional amount of coverage, at each AUL approved Scheduled Enrollment Period without satisfactory Evidence of Insurability, if all the following conditions are met:

- 1) the Person must be under age [60-90];
- 2) the Person must be Actively at Work on the effective date of the increase;
- 3) the amount of each increase will be limited to the GIB Amount stated in the Schedule of Benefits;
- 4) the amount of coverage after the increase is not greater than the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits;
- 5) the Person has not previously been declined for the GIB; [and]
- 6) the Person applying for a GIB whose total amount of coverage exceeds the Maximum Lump Sum Disability Benefit Amount will be limited to the Maximum Lump Sum Disability Benefit Amount[.]; and][
- 7) the Person will be limited to [six (6)] GIB increases during the lifetime of the policy.]

If reductions begin prior to age [60-90], the total amount of coverage following the GIB will be reduced according to the Reductions stated in the Schedule of Benefits.

If a Participant declines the Lump Sum Disability Insurance during the Initial Enrollment Period and wants to apply at a later Scheduled Enrollment date, receipt of any coverage will first require Evidence of Insurability and information satisfactory to AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If coverage is approved, coverage will begin on the date identified in writing by AUL. If the Participant is approved for coverage during the Scheduled Enrollment, he will be eligible to apply for the GIB at the next Scheduled Enrollment Period.

If coverage is declined following unsatisfactory Evidence of Insurability, no GIB will be available until Evidence of Insurability and information is received. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If the GIB request is approved, coverage will begin on the date identified and approved in writing by AUL.

[Automatic GIB provision for list billed groups only.]

Within thirty (30) days prior to the GIB offering, a Person may revocably elect to opt in to automatically receive the GIB by:

- 1) applying for the Lump Sum automatic opt in option on AUL's enrollment form during the Initial Enrollment Period;
or
- 2) submitting a request in writing to AUL indicating the Person's desire to automatically receive the GIB.

If a Person, after opting in to the GIB, elects at a later date to decline to automatically receive the GIB, he must submit notification of declination in writing to AUL thirty (30) days before the GIB would have taken effect.

The GIB will become effective on the Policyholder's Anniversary Date next following AUL's written approval of the GIB. All of the conditions to GIB included in this section will apply once the GIB becomes effective.]

SECTION 4 - CHANGES IN INSURANCE

[COVERAGE AMOUNTS REQUESTED IN EXCESS OF THE GUARANTEED INCREASE IN BENEFIT

During Scheduled Enrollment Periods, a Person may apply to increase an amount greater than the GIB, however, receipt of any amount above the GIB will first require Evidence of Insurability and information satisfactory to AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If coverage is approved, coverage will begin on the date identified and approved in writing by AUL.

If coverage for a Participant is declined following unsatisfactory Evidence of Insurability, no GIB will be available until Evidence of Insurability and information satisfactory to AUL is received. Until the GIB is approved, only the amount of coverage previously approved by AUL will be available.]

SECTION 4 - CHANGES IN INSURANCE

[LIFE EVENT BENEFIT (LEB)]

[A Person may request an additional amount of coverage] [or] [a Late Enrollee may request Lump Sum Disability Insurance coverage] without Evidence of Insurability, if all the following conditions are met:

- 1) The [Person] [or] [Late Enrollee] experienced one of the following Life Events:
 - a) marriage;
 - b) birth of a child;
 - c) adoption of a child or stepchild; or
 - d) permanent legal custody or guardianship of a child lasting more than [90] days;
- 2) AUL was notified within 31 days of the Life Event;
- 3) the [Person] [or] [Late Enrollee] must be under age [60-90];
- 4) the [Person] [or] [Late Enrollee] must be Actively at Work on the effective date of the increase;
- 5) The amount of the LEB increase is offered in the Schedule of Benefits.
- 6) the amount of coverage after the increase is not greater than the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits;
- 7) the [Person] [or] [Late Enrollee] has not previously been declined; and
- 8) the [Person] [or] [Late Enrollee] applying for a LEB amount that exceeds the Maximum Lump Sum Disability Benefit Amount, will be limited to the Maximum Lump Sum Disability Benefit Amount.

A [Person] [or] [Late Enrollee] may be eligible for a LEB for each Life Event when events are simultaneous. For simultaneous LEB events, the increased amount for each event will be based on the coverage amount prior to the LEB events and the amount of each increase will be equal. However, the amount of coverage after the increase will not be greater than the maximum amount of coverage available to the [Person] [or] [Late Enrollee].

The LEB will be reduced according to the Reductions as stated in the Schedule of Benefits. In no event will the total amount of coverage including any LEB exceed the Maximum Lump Sum Disability Benefit stated in the Schedule of Benefits.

If a Participant declines coverage during the Initial Enrollment Period and wants to apply at a later Scheduled Enrollment date, receipt of any coverage first requires Evidence of Insurability and information satisfactory to AUL unless the Participant has a qualifying Life Event. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If coverage is approved, coverage will begin on the date identified in writing by AUL. If the Participant is approved for coverage during the Scheduled Enrollment, he will be eligible to request the LEB when a Life Event occurs.

[If coverage for a Late Enrollee is declined following unsatisfactory Evidence of Insurability, no LEB will be available until Evidence of Insurability and information satisfactory to AUL is received. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If the LEB request is approved, coverage will begin on the date identified in writing by AUL.]

SECTION 5 - TERMINATIONS

INDIVIDUAL TERMINATION: A Person will cease to be insured on the EARLIEST of the following dates:

- 1) the date the policy or the Policyholder's coverage under the policy terminates;
- 2) the [date][end of the Coverage Month following the date] the Person is no longer in an eligible class;
- 3) the date the Person's class, as stated in the Schedule of Benefits, is no longer insured under the policy;
- 4) the last day of the period for which premiums were paid, if the premium is not paid when due;
- 5) the date the Person requests termination, but not prior to the date of the request;
- 6) the date the Lump Sum Disability Benefit is paid to the Person;
- 7) the date the Person dies;
- 8) the [end of the Coverage Month following the date][date] employment terminates. **Cessation of Active Work will be deemed termination of employment.** However, insurance will be continued for a Person:
 - a) during the Elimination Period, if the Person is Disabled, as described in the policy;
 - b) during the Benefit Eligibility Period, if the Person is Disabled, as described in the policy; and
 - c) [during any period that premiums are being waived under the Waiver of Premium provision[.]]; and
 - d) during any temporary Leave of Absence according to the appropriate Continuation of Personal Insurance benefit, if premiums continue to be paid during the leave and the benefit was elected by the Policyholder in the Application and approved by AUL[.]]; and
 - e) during any temporary layoff according to the appropriate Continuation of Personal Insurance benefit, if premiums continue to be paid during the layoff and the benefit was elected by the Policyholder in the Application and approved by AUL[.]]; and
- 9) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.]

TERMINATION OF THE POLICY: Insurance coverage under the policy will cease on the EARLIEST of the following dates:

- 1) the date the Policyholder no longer meets the definition of a Policyholder;
- 2) the date the Policyholder ceases active business operations, becomes insolvent, or is placed in bankruptcy or receivership;
- 3) the date the Policyholder ceases to exist by means of transfer of ownership, transfer of control, sale, dissolution, merger, consolidation, acquisition, or otherwise;
- 4) the date ending the Policy Month for which the last premium payment is made for the Policyholder's insurance;
- 5) at the end of a Policy Month, provided that AUL has given at least [31 days] days prior written notice to the Policyholder;
- 6) at the end of a Policy Month, if the Policyholder has given AUL at least [31 days] prior written notice;
- 7) the date the Policyholder fails to promptly furnish any information which AUL may reasonably require; or
- 8) the date the Policyholder, without good and sufficient cause, fails to perform in good faith its duties pertaining to the policy.

If a Person's insurance is terminated due to the termination of the policy, the Person's rights under the policy are terminated on the date the policy terminated.

Termination of the policy under any conditions will be without prejudice to AUL for any claim incurred prior to termination.

If the policy terminates, the Policyholder will be liable to AUL for all unpaid premiums for the period during which the coverage was in force.

SECTION 5A - INDIVIDUAL REINSTATEMENT

INDIVIDUAL REINSTATEMENT: If Personal Insurance terminates under the policy due to cessation of Active Work for the Policyholder, it may be reinstated subject to the terms of this provision. Individual Reinstatement must be requested during the [31-day] period immediately following return to Active Work for the Policyholder in accordance with the terms stated in this provision. Individual Reinstatement will be for the same coverage amount and eligible class that the Participant belonged to immediately prior to his termination. AUL may require Evidence of Insurability if reinstatement is requested for an amount or eligible class that differs from the coverage the Participant had with the Policyholder immediately prior to his cessation of Active Work. Reinstatement is subject to payment of required premiums and that the Policyholder is currently insured by AUL under the policy. In addition to these requirements, the following also applies:

- 1) If a Participant returns to Active Work within the period of consecutive calendar days as stated in the Schedule of Benefits under Individual Reinstatement from his individual termination date and requests Individual Reinstatement:
 - a) Personal Insurance will become effective immediately upon the date of request for Individual Reinstatement, or the first day of the Coverage Month immediately following the date of request for Individual Reinstatement, as stated in the Schedule of Benefits.
 - b) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class held by the Participant under the policy immediately prior to cessation of Active Work.
 - c) *[If the Schedule of Benefits states that the Participant must return to Active Work within [30, 60, 90, 120, 150, 180] days of termination:* Credit will be given towards satisfaction of the eligibility Waiting Period and of the Pre-Existing Condition exclusion or limitation period he previously served under the policy. However, any days accumulated during his period of lapse in coverage will not be credited. The original Individual Effective Date of Insurance will be used when applying the eligibility Waiting Period and the Pre-Existing Condition exclusion or limitation period.] or
 - d) *[If the Schedule of Benefits states that the Participant can return to Active Work for a period greater than [30, 60, 90, 120, 150, 180] days from the Participant's date of termination:* Credit will be given towards satisfaction of the eligibility Waiting Period he previously served under the policy. However, any days accumulated during his period of lapse in coverage will not be credited. The Participant will be considered a New Participant and subject to the terms of the policy, except as stated herein.]
- 2) If a Participant returns to Active Work more than the number of consecutive calendar days, shown in 1) above, after his individual termination date and requests Individual Reinstatement:
 - a) The Participant will be considered a New Participant subject to the terms of the policy.
 - b) Eligibility for Personal Insurance, Enrollment and his Individual Effective Date Of Insurance will be determined as stated in the policy.
 - c) The Waiting Period and Pre-Existing Condition exclusion or limitation period will start anew. The Individual Reinstatement date will be used when applying the Pre-Existing Condition exclusion or limitation period.
- 3) If the Participant is currently insured under the policy's Portability Privilege and returns to Active Work with the Policyholder and requests Individual Reinstatement to the policy:
 - a) Personal Insurance will become effective [immediately upon the date of request for Individual Reinstatement] [the first day of the Coverage Month immediately following the date of request for Individual Reinstatement], as stated in the Schedule of Benefits.
 - b) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class held by the Participant under the policy immediately prior to cessation of Active Work.
 - c) Credit will be given towards satisfaction of the Pre-Existing Condition exclusion or limitation period he already served under the policy and the Portability Privilege. The Participant's original Individual Effective Date of Insurance will be used when applying the Pre-Existing Condition exclusion or limitation period.
 - d) Coverage under the Portability Privilege must terminate immediately prior to the date of Individual Reinstatement under the policy.

SECTION 5A – INDIVIDUAL REINSTATEMENT

- 4) If Personal Insurance terminates because of a leave approved by the Policyholder under the Federal Family and Medical Leave Act (FMLA), or similar applicable state law, and the Participant returns to full-time Active Work immediately following the end of the leave:
 - a) Personal Insurance will become effective immediately upon the date of request for Individual Reinstatement.
 - b) Credit will be given towards satisfaction of the Pre-Existing Condition exclusion or limitation period previously served under the policy, however, the days accumulated during the period of lapse in coverage will not be credited. The original Individual Effective Date of Insurance will be used when applying the Pre-Existing Condition exclusion or limitation period.
 - c) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class that the Participant would have been entitled to prior to the leave.
- 5) [If Personal Insurance terminates because a Person becomes a full-time member of the armed forces of the United States and he returns to full-time Active Work, the Person's coverage may be reinstated if required under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and applicable state law.]

**SECTION 5B – CONTINUATION OF PERSONAL INSURANCE
UNDER THE FAMILY AND MEDICAL LEAVE ACT**

CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY AND MEDICAL LEAVE ACT. If the Policyholder correctly approves a leave of absence under the Federal Family and Medical Leave Act (FMLA), a Person's coverage under the policy will be continued as stated in this Section. Personal Insurance will continue while a Person's leave is covered under FMLA, until the end of the later of:

- 1) the leave period permitted under FMLA or
- 2) the leave period permitted by applicable state law.

Coverage continued under this Section is subject to the following requirements:

- 1) the Policyholder has approved a Person's leave in writing as a leave taken under FMLA;
- 2) applicable premiums must continue to be paid to AUL in accordance with the policy (see Section 6 - PREMIUM PAYMENT); and
- 3) the Lump Sum Disability Amount will be the amount in effect prior to the date the Person's family or medical leave began.

Continuation of Personal Insurance under this provision will cease on the EARLIEST of the following:

- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date the policy terminates;
- 5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under the policy;
- 7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
- 8) the date a Person requests termination of coverage under the policy, but not prior to the date of request;
- 9) the date the Lump Sum Disability Benefit is paid to the Person[.]; or
- 10) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.]

All terms and conditions of the policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under the policy.

**SECTION 5C - CONTINUATION OF PERSONAL INSURANCE
DURING A [LEAVE OF ABSENCE][AND][TEMPORARY LAYOFF]**

LEAVE OF ABSENCE references in this Section means the Person is absent from Active Work for a temporary period of time that has been agreed to in advance and in writing by the Policyholder[.] [and includes temporary layoffs unless otherwise stated.]

[CONTINUATION OF PERSONAL INSURANCE WHILE TEMPORARILY LAID OFF. If the Policyholder approves a temporary layoff, a Person's coverage under the policy will be continued [to the end of the Coverage Month following the month in which the layoff begins] [to the end of the [60][90][120][150][180]-day period from the date the Person begins a Leave of Absence], as long as premiums continue to be paid to and received by AUL, subject to same requirement as a Leave Of Absence.]

[CONTINUATION OF PERSONAL INSURANCE UNDER A LEAVE OF ABSENCE: If the Policyholder approves a Leave of Absence, a Person's coverage under the policy will be continued [to the end of the Coverage Month following the month that a Person begins a Leave of Absence,][to the end of the [60][90][120][150][180]-day period from the date the Person begins a Leave of Absence] as long as premiums continue to be paid to and received by AUL, subject to the following requirements:]

- 1) the Policyholder has approved a Person's Leave of Absence in writing;
- 2) applicable premiums must continue to be paid to AUL in accordance with the policy (see Section 6 – PREMIUM PAYMENT); and
- 3) the Lump Sum Disability Benefit will be the amount in effect prior to the date the Person's Leave of Absence began.

Continuation of Personal Insurance under this provision will cease on the EARLIEST of the following:

- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date the policy terminates;
- 5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under the policy;
- 7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
- 8) the date a Person requests termination of coverage under the policy, but not prior to the date of request;
- 9) the date the Lump Sum Disability Benefit is paid to the Person[.]; or
- 10) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.]

All terms and conditions of the policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under the policy.

**SECTION 5D – CONTINUATION OF PERSONAL INSURANCE
DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE**

LEAVE OF ABSENCE means the Person is absent from Active Work for a temporary period of time that has been agreed to in advance in writing by the Policyholder.

CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE: If the Person is on a leave of absence for active military service as described under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and applicable state law, the Person's coverage may be continued until the later of:

- 1) the length of time the coverage may be continued under the policy for an FMLA leave of absence; or
- 2) the length of time the coverage may be continued under the policy for a Leave of Absence other than an FMLA leave of absence.

Coverage continued under this Section is subject to the following requirements:

- 1) applicable premiums must continue to be paid to and received by AUL in accordance with the policy (see Section 6 - PREMIUM PAYMENT); and
- 2) the Lump Sum Disability Benefit will be the amount in effect prior to the date the Person's Leave of Absence For Active Military Service began.

Continuation of Personal Insurance under this provision will cease on the earliest of the following:

- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date the policy terminates;
- 5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under the policy;
- 7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
- 8) the date a Person requests termination of coverage under the policy, but not prior to the date of request; or
- 9) the date the Lump Sum Disability Benefit is paid to the person.

All terms and conditions of the policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under the policy.

SECTION 6 - PREMIUM PAYMENT

PREMIUM PAYMENTS: As provided in the Application, the Policyholder is responsible for properly and accurately paying premium to AUL on or before the Due Date. All premiums will be calculated and paid in U.S. dollars. At the request of the Policyholder and AUL's written approval, the interval of premium payments may be changed.

Overpayment of premium will not result in increases in any coverage amounts or additional benefits for the Policyholder or Person. If a Person has Contributory Insurance, premiums paid by the Person may be paid by means of payroll deduction administered by the Policyholder.

Premiums for a Person's coverage under the policy shall be owed beginning on the Person's Individual Effective Date of Insurance. Premiums will cease to be owed on the Person's individual termination date. However, premiums will continue to be owed if the Person is Disabled on his individual termination date. Premiums will continue to be owed until the date they are waived according to the Waiver of Premium provision.

Each premium payment will include adjustments in past premiums for changes that have not previously been taken into account. Payment of any premium does not maintain the insurance in force beyond the end of the period for which it has been paid. Each premium payment is owed to AUL on or before its Due Date.

The above manner of charging premiums applies only to a Person's insurance that is terminating, but not the termination of the policy. Each premium payment will include adjustments in past premiums for changes that have not previously been taken into account.

PREMIUM RATES: AUL reserves the right to change premium rates on any date:

- 1) after the Policyholder's coverage has been in effect for [one (1) year][two (2) years][three (3) years][four (4) years], [five (5) years] or as stated in the Application, by giving prior written notice to the Policyholder at least [31 days] before the effective date of the change;
- 2) the eligibility or benefit provisions are changed;
- 3) the number of Persons insured under the policy changes by [10%] or more;
- 4) a division, unit, subsidiary or affiliate is added to, or deleted from, the Policyholder's coverage under the policy.
- 5) if the age or any other fact that affects the benefits for a Person or Policyholder has been misstated or
- 6) there is a change in existing laws which affects the coverage offered under the policy

[WAIVER OF PREMIUM BENEFIT: *[Non-contributory option:* Premium payments will be waived for a Disabled Person immediately following 12 weeks of Disability] *[Contributory option:* Premium payments for a Disabled Person will be waived the first Date of Disability] and will continue to be waived during the Elimination Period and Benefit Eligibility Period. If a Disabled Person returns to work before the end of his Elimination Period or his Benefit Eligibility Period, his premium payments will resume, but he will not be required to repay the waived premiums.

Premiums for coverage under the policy will be waived as described in this provision, providing the Lump Sum Disability Benefit is paid by AUL.]

SECTION 7 – GENERAL POLICY PROVISIONS

AGENCY: For all purposes of the policy, the Policyholder acts on behalf of itself or as agent for the Person. Under no circumstances will the Policyholder be deemed the agent of AUL.

AMENDMENT AND CHANGES: The policy may be amended in writing by mutual agreement between the Policyholder and AUL, but without prejudice to any loss incurred prior to the effective date of the amendment. No change in the policy is valid until approved in writing by the Chief Executive Officer, President, or Secretary of AUL. No agent has the authority to approve coverage, change the policy or waive any of its provisions.

ASSIGNMENT: No assignment of any present or future right or benefit under the policy will bind AUL without its prior written consent and when permitted under applicable laws.

CERTIFICATES: AUL will issue a certificate for delivery by the Policyholder to the insured Persons. The certificate will summarize the Person's coverage under the policy and will state:

- 3) the benefits provided; and
- 4) to whom the benefits are payable.

If there is any discrepancy between the provisions of any marketing materials, plan documents, certificate, and the provisions of the policy, the provisions of the policy will govern.

CLERICAL ERROR: Clerical error on the part of the Policyholder or AUL will not invalidate insurance otherwise in force nor continue insurance otherwise terminated.

CONFORMITY WITH STATE LAWS: Any provision of the policy in conflict with the laws of the state in which it is delivered is amended to conform to the minimum requirements of those laws.

DATA AND RECORDS: The Policyholder must promptly furnish all information that AUL reasonably requires. The Policyholder must furnish all relevant information to AUL about Persons:

- 4) who qualify to become insured or are eligible for benefits;
- 5) whose amounts of insurance change; and/or
- 6) whose insurance terminates.

At any reasonable time, AUL or its representatives shall have the right to inspect the records of the Policyholder that, in the opinion of AUL, may have a bearing on the insurance coverage provided under the policy.

SECTION 7 – GENERAL POLICY PROVISIONS

ENTIRE CONTRACT: The policy, the application forms of the Persons, the Application of the Policyholder, and any amendments made from time to time constitute the entire contract.

GRACE PERIOD: If the Policyholder or AUL does not give notice in writing that coverage under the policy is to be terminated, a grace period of [31 days] will be granted for the payment of any premium owed after the first premium Due Date. During the grace period, the policy will continue in force but will automatically terminate on the last day of the Grace Period. The Policyholder is liable to AUL for payment of premiums for the days of grace during which the policy remains in force. AUL is not obligated to pay claims incurred during the grace period until the premium owed is received.

[INSURANCE FRAUD: AUL wants to ensure that its customers do not incur additional insurance costs as a result of the act of insurance fraud. Applicable state laws require AUL to undertake measures to detect, investigate and prosecute fraud.

Anyone that knowingly completes an application for insurance or statement of claim containing any materially false information or facts, with the intent to deceive, conceal or mislead is committing a fraudulent insurance act. This is a crime and may subject that Person to criminal and civil penalties.]

MISSTATEMENT OF FACTS: If the age or any other fact that affects the benefits for a Person or Policyholder has been misstated, the benefits will be payable based on the true facts. Premium adjustment will be made so that AUL will receive the actual premium required based on the true facts.

RELATIONSHIP: AUL and the Policyholder are, and will remain, independent contractors. Nothing in the policy or the Application shall be construed as making the parties joint ventures or as creating a relationship of employer and Participant, master and servant or principal and agent. Neither party has any power, right or authority to bind the other or to assume or create any obligation or responsibility on behalf of the other. AUL and the Policyholders each retain exclusive control of their time and methods to perform their respective duties. AUL and the Policyholder will employ, pay and supervise their own employees and pay their own expenses. The Policyholder is required to familiarize itself with all relevant state and federal laws including applicable banking, MEWA, plan sponsor, plan administrator, and fiduciary laws. Any violation of federal or state law will require Policyholder to reimburse AUL for any and all damages or fines imposed on AUL as well as AUL's reasonable attorney's fees incurred due to Policyholder's violations and/or any violations incurred by any representative of Policyholder, in which AUL is made party thereof

STATEMENTS MADE IN AN APPLICATION: All statements made by the Policyholder, or insured Persons shall be deemed representations and not warranties. No such statements will be used to reduce or deny any claim or to cancel the Person's coverage unless:

- 1) the statement is in writing; and
- 2) a copy of that statement is given to the Person or his Survivor.

SECTION 7 – GENERAL POLICY PROVISIONS

INCONTESTABILITY: The validity of any coverage under the policy may not be contested, except in the case of fraud or for nonpayment of premiums, after the policy has been in force for two years after its date of issue, and other than a misrepresentation of a material fact, no statement made by a Policyholder or a Person relating to his insurability may be used in contesting the validity of the insurance with respect to which the statement was made, unless: (1) the insurance has not been in force for a period of two years or longer; or (2) the statement is contained in a written instrument signed by the Person. However, AUL is not precluded from asserting at any time any defenses based upon provisions in the policy relating to eligibility for coverage. All statements made by a Policyholder or a Person are to be deemed representations and not warranties, and that other than a misrepresentation of a material fact no statement made by any Person may be used in any contest unless a copy of the instrument containing the statement is or has been furnished to the Person or, in the event of death or incapacity of the Person, to the Person's personal representative.

WORKER'S COMPENSATION AND WORKMEN'S COMPENSATION NOT AFFECTED: The policy is not in lieu of, and does not affect any requirement for coverage by Worker's or Workmen's Compensation Insurance.

SECTION 7A – CLAIM PROCEDURES

INITIAL NOTICE OF DISABILITY: Written notice of Disability must be given to AUL within [90] days after the Elimination Period ends. If written notice cannot be made during this time period due to an Act of God or force majeure event, AUL must be notified as soon as it is reasonably possible to do so. Written notice should contain sufficient information to identify the Person. Notices are not considered given until received by AUL at its Home Office in Indianapolis, Indiana or by one of its Claims offices.

CLAIM FORMS FOR PROOF OF LOSS: Upon receipt of the Initial Notice of Disability, AUL will furnish the Policyholder with any necessary claim forms to be given to the Person. These forms must be properly, accurately and truthfully completed and returned to AUL. If, for any reason, the Person does not receive a claim form within [15 days] of request, the Person should submit written proof of Disability. The initial claim form or proof of Disability must show:

- 1) claimant's name;
- 2) Employer's name and address;
- 3) Policy number;
- 4) the date Disability started;
- 5) the cause of Disability; and
- 6) the nature and extent of the Disability.

The initial claim form or proof of Disability must be signed by a Physician and sent to AUL within 90 calendar days of the Benefit Eligibility Period. If it is not possible to give proof within these limits, it must be given as soon as reasonably possible. Proof of claim may not be given later than twelve (12) months after the time proof is otherwise required, except in the absence of legal capacity.

AUL will also periodically send the Person additional claim forms or requests for information necessary to determine eligibility for benefits under the policy. These subsequent claim forms and requests for information must be returned to AUL within [30 days] after the Person receives them.

LEGAL ACTION: No legal action may be brought to obtain benefits or a refund of premium paid under the policy:

- 1) for at least [60 days] after proof of loss or entitlement to a premium refund has been furnished; [or]
- 2) [before any denial or reduction of benefits by AUL has been appealed properly in writing; or]
- 3) no action may be brought after [three (3) years] following the expiration of the time within which proof of loss or entitlement to a premium refund is required by the Policyholder.

TIME OF PAYMENT OF CLAIMS: When AUL receives a claim form or proof of Disability, benefits for which AUL is liable under the policy will be paid.

PAYMENT OF CLAIMS: All benefits are payable to a Person. If a Person dies before a benefit to which he was entitled is paid, AUL has the right to pay the Survivor. If AUL pays benefits in good faith to a person who it considers entitled to such benefits or without notice of closer kinship, then AUL will have no obligation to pay such benefits again. The Lump Sum Disability Benefit Amount will be calculated and paid in United States dollars. All claim payments will be made in compliance with ERISA or in accordance with applicable state laws.

SECTION 7A – CLAIM PROCEDURES

[RIGHT TO APPEAL: If a Person wishes to appeal AUL's decision, claimants are allowed 180 days following receipt of a notification of an adverse benefit determination within which to appeal the determination. Claimants are allowed the opportunity to submit written comments, documents, records and other information relating to the claim for benefits. The claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. Whether a document, record or other information is relevant to a claim for benefits shall be determined by reference to paragraph (m)(8) of 29 C.F.R. § 2560.503-1. AUL's review will take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. A claimant has a right to obtain the information about any voluntary appeal procedures offered by the plan described in paragraph (c)(3)(iv) of 29 C.F.R. § 2560.503-1 and has a right to bring an action under section 502(a) of ERISA. A final determination will be provided pursuant to 29 C.F.R. § 2560.503-1.]

[ARBITRATION: Any controversy or claim arising out of or relating to the policy, the sale or solicitation of the policy, or its breach thereof whether in tort, contract, breach of duty (including but not limited to) any alleged fiduciary, good faith and fair dealing duties, shall be decided by arbitration in accordance with the Federal Arbitration Act, the procedures of the commercial arbitration rules of the American Arbitration Association, and this agreement. The Court of Arbitrators, which is to be held in the county seat where the Person resides, shall consist of three (3) arbitrators familiar with employee welfare benefit plans. The selection of the arbitrators shall be conducted within thirty (30) days after proper service of a demand for arbitration. One of the arbitrators shall be appointed by AUL, one by the insured, and the third shall be selected by the first two appointees prior to the beginning of arbitration. Should the two arbitrators be unable to agree upon the choice of a third, the appointment shall be left to the President or any Vice President of the American Arbitration Association. The arbitrators shall decide by a majority of votes, the award shall be in writing, the decision shall be signed by a majority of the arbitrators, and they shall include a statement regarding the reasons for the disposition of any claim. Judgment on the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The parties are not precluded from challenging the decision under the Federal Arbitration Act or applicable law. Unless not allowed under applicable law, each party shall bear the expense of its own attorney and arbitrator, and shall share equally with the other party the expenses of the third arbitrator and of the arbitration.

The parties agree that AUL is engaged in interstate commerce, and the transaction is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16.

Consistent with the expedited nature of arbitration, each party will, upon the written request of the other party, promptly provide the other with copies of documents relevant to the issues raised by any claim or counterclaim on which the producing party may rely in support of or in opposition to any claim or defense. Any dispute regarding discovery, or the relevance or scope thereof, shall be determined by the arbitrator(s), which determination shall be conclusive. All discovery shall be completed within sixty (60) days following the appointment of the arbitrator(s) or longer following mutual agreement by the parties.]

SECTION 7A – CLAIM PROCEDURES

[RIGHT OF RECOVERY: If benefits have been received for which the Person was not entitled to receive under the policy, then full reimbursement to AUL is required. Such reimbursement is required whether the overpayment is due to intentional or innocent misrepresentations by the Person, intentional or innocent misrepresentations by an entity supplying AUL with information, a claims processing error or miscalculation by AUL or for any other reason. If reimbursement is not made, then AUL has the right, as allowed under law to:

- 1) reduce future benefits or any amounts payable under all other AUL insurance contracts insuring the Person until full reimbursement is made, and
- 2) recover such overpayments from the Person or his estate.

If AUL chooses not to use benefit payments towards the reimbursement, this will not constitute a waiver of AUL's rights to reimbursement. This provision will be in addition to, and not in lieu of, any other compensation available to AUL by law.]

SECTION 8 - INSURING PROVISIONS

LUMP SUM DISABILITY BENEFIT: AUL will pay a Lump Sum Disability Benefit to the Person according to the terms of the policy if, while insured under the policy, a Person:

- 1) satisfies the Elimination Period;
- 2) becomes Permanently and Totally Disabled during the Benefit Eligibility Period; and
- 3) submits the required proof that he is Permanently and Totally Disabled within 90 days of the end of the Benefit Eligibility Period.

The Lump Sum Disability Benefit Amount shown in the Schedule of Benefits is payable to the Person once and will be subject to Reductions and other provisions of the policy.

The Lump Sum Disability Benefit Amount will never exceed the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits.

PHYSICAL EXAMINATION: AUL, at its own expense, has the right to have a Person examined and evaluated to determine the existence of and basis for any Disability. This right may be exercised as often as is reasonably necessary, as determined by AUL, and must be performed by a Physician of AUL's choice.

The Lump Sum Disability Benefit will NOT be payable if:

- 1) the Person dies during the Elimination Period;
- 2) the Person becomes Permanently and Totally Disabled after the last day of the Benefit Eligibility Period;
- 3) the Person is working;
- 4) the Person fails to submit the required claim forms for proof of loss within 90 days of the Benefit Eligibility Period;
- 5) the Person refuses to allow an examination requested by AUL;
- 6) the Person is no longer under the Regular Attendance and care of a Physician;
- 7) the date a Person leaves the United States or Canada and establishes his residence in any other country. A Person will be considered to reside outside these countries when the Person has been residing outside the United States or Canada during the Elimination Period or Benefit Eligibility Period; or
- 8) the Person has a been paid a Lump Sum Disability Benefit under the policy.

RECURRENT RETURN TO WORK PERIOD: As long as the Policyholder's coverage remains in force with AUL, if a Person resumes his [Regular Occupation][Regular Job] for the Policyholder on a full-time basis, and performs each Material and Substantial duty of that occupation for less than the Return to Work Period during the Benefit Eligibility Period (both of which are shown on the Schedule of Benefits), the Disability will be part of the prior period of Disability. Days the Person returns to work for the same Policyholder will not extend the Benefit Eligibility Period. The Disability must be the direct result of the Injury or Sickness that caused the prior Disability. A Person will not have to complete a new Elimination Period. The Lump Sum Disability Benefit will be subject to the terms of the policy for the prior Disability.

If, after the period of Disability as stated in the preceding paragraph, a Person resumes his [Regular Occupation][Regular Job] for the Policyholder on a full-time basis for more than the return to work period as shown on the Schedule of Benefits, any further Disability will be part of a new period of Disability and a new Elimination Period must be completed before a Person may qualify for a Lump Sum Disability Benefit.

ACCUMULATION OF ELIMINATION PERIOD: If a Person satisfies the number of days in the Elimination Period within a period of time that is two times the Elimination Period, then that Disability will be treated as continuous as long as the Policyholder's coverage remains in force with AUL.

SECTION 8 - INSURING PROVISIONS

DEATH OF A PERSON: If a Person dies after qualifying for, but before receiving, the Lump Sum Disability Benefit, the full Lump Sum Disability Benefit Amount will be payable to the Person's Survivor.

[10%-100%] of the Lump Sum Disability Benefit Amount owed after applicable Reductions may be paid to the Survivor if:

- 1) prior to his death, the Person had satisfied the Elimination Period;
- 2) prior to his death the Person was Disabled;
- 3) the Person died during the Benefit Eligibility Period but before satisfying the conditions of Permanent and Total Disability; and
- 4) the Person's death due to complications or was caused by the Person's Disability.

All the General Exclusions pertaining to a Disability listed in Section 9 – EXCLUSIONS would apply.

SECTION 9 - EXCLUSIONS

GENERAL EXCLUSIONS: The policy does not cover any Disability or provide any benefits for a loss caused by, contributed to by, or resulting from:

- 1) participation in war or any act of war, declared or undeclared;
- 2) active participation in a riot;
- 3) attempted suicide, regardless of mental capacity;
- 4) attempted or actual self-inflicted bodily injury or self destruction, including but not limited to the voluntary inhaling or taking of:
 - a) a prescription drug in a manner other than as prescribed by a Physician;
 - b) any federal or state regulated substance in an unlawful manner;
 - c) non-prescription medicine in a manner other than as indicated in the printed instructions;
 - d) poison; and
 - e) toxic fumes;
- 5) commission of or attempt to commit a criminal act under relevant state law;
- 6) Cosmetic Surgery. However, Cosmetic Surgery will be covered when it is due to:
 - a) reconstructive surgery incidental to, or follows surgery resulting from, trauma, infection or other diseases of the involved part; or
 - b) congenital disease or anomaly that has resulted in a functional defect;
- 7) a Person being legally intoxicated as defined by the law of the jurisdiction in which the incident occurs;
- 8) any event that occurs while a Person is incarcerated in a penal or correctional institution;
- 9) participation in voluntary asphyxiation;
- 10) traveling or flying on any aircraft being used for experimental purposes; or
- 11) engaging in any illegal or fraudulent activity, work, or employment.

PRE-EXISTING CONDITION EXCLUSION:

[Benefits will not be paid if the Person's Disability begins in the first [5 days,][3, 6, 12 or 24 months] following the Person's Individual Effective Date of Insurance; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [30 days][3, 6, or 12 months] just prior to the Person's Individual Effective Date of Insurance[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [30 days] [3, 6 or 12 months] just prior to the Person's Individual Effective Date of Insurance.]]

[Benefits will not be paid if the Person's Disability begins in the first [3, 6, 12, or 24 months] following the Person's Individual Effective Date of Insurance; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [30 days][3, 6 or 12 months] just prior to the Person's Individual Effective Date of Insurance; [or][and]
- 2) [the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [30 days] [3, 6 or 12 months] just prior to the Person's Individual Effective Date of Insurance; and]
- 3) the Person was not Treatment Free for [3, 6, 12, or 24] consecutive months after the Person's Individual Effective Date of Insurance.]]

SECTION 9 - EXCLUSIONS

[When the policy is replacing a Prior Plan of Franchise Coverage, the preceding Pre-Existing Condition Limitation provision will not apply to a Person:

- 1) who is listed on the prior carrier's billing statement for Franchise Coverage for the month prior to the Policyholder's Effective Date or if the prior carrier premium for the Person's Franchise Coverage is paid to within [90 days] of the Policyholder's Effective Date;
- 2) who requests coverage under the policy when he first becomes eligible for coverage; and
- 3) whose coverage under the Prior Plan terminated.

SECTION 9 – EXCLUSIONS

[PRE-EXISTING CONDITION EXCLUSION ON AN INCREASED BENEFIT[OR GUARANTEED INCREASE IN BENEFIT]: This provision applies to an increase in Lump Sum Disability Benefit Amount that occurs after the Policyholder's Effective Date.

The policy will not cover the amount of the increase in Lump Sum Disability Benefit Amount if the Person's Disability begins in the first [6, 12, 18, 24, 36] months following the effective date of the increase in coverage; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [three (3), six (6), twelve (12)] months just prior to his effective date of increase in amount of insurance[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [three (3), six (6), twelve (12)] months just prior to his effective date of increase in amount of insurance.]]

[PRE-EXISTING CONDITION EXCLUSION ON AN INCREASED BENEFIT WHEN CHANGING CARRIERS: This provision applies to an increase in the Lump Sum Disability Benefit Amount when:

- 1) coverage under the policy replaces a Prior Plan;
- 2) coverage under the policy has a Lump Sum Disability Benefit Amount that is in excess of the Prior Plan; and
- 3) the Pre-Existing Condition Limitation on the Prior Plan was for a period of time of [three (3), six (6), twelve (12)] months or less.

The policy will not cover the amount of the increase in Lump Sum Disability Benefit Amount if the Person's Disability begins in the first [6, 12, 18, 24, 36]] months following the Policyholder's Effective Date; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [three (3)] months just prior to his effective date of increase in amount of insurance[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [three (3), six (6), twelve (12)] months just prior to the Policyholder's effective date of increase in amount of insurance.]]

[PRE-EXISTING CONDITION EXCLUSION FOR A CHANGE IN OPTIONS: This provision applies when a Person changes options resulting in an increase in coverage after the Policyholder's Effective Date.

The policy will not cover the Person under the new option if the Person's Disability begins in the first [6, 12, 18, 24, 36] months following the Policyholder's Effective Date; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [three (3), six (6), twelve (12)] months just prior to the Change Effective Date of the change in options[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [three (3), six (6), twelve (12)] months just prior to the Change Effective Date of the change in the option's increase in amount of insurance.]]

A Person will be eligible to receive the Lump Sum Disability Benefit Amount previously approved.]

[SECTION 10 – LIMITATIONS

[DRUG AND ALCOHOL ABUSE LIMITATION: The Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to drug and alcohol abuse or a condition caused by or contributed to by drug and alcohol abuse, will be limited to [10%-90%] of the Lump Sum Disability Amount after applicable Reductions.]

[MENTAL ILLNESS LIMITATION: The Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to mental illness, will be limited to [10%-90%] of the Lump Sum Disability Amount after applicable Reductions. AUL will not apply the Mental Illness Limitation to a Disability due to dementia if it is a result of:

- 1) stroke;
- 2) trauma;
- 3) viral infection; or
- 4) Alzheimer's disease.]

[SPECIAL CONDITIONS LIMITATION: Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to a Special Condition , will be limited to [10%-90%] of the Lump Sum Disability Amount after applicable Reductions.

SPECIAL CONDITION means:

- 1) musculoskeletal and connective tissue disorders of the neck and back including any disease or disorder of the cervical, thoracic and lumbosacral back and its surrounding soft tissue including sprains and strains of joints and adjacent muscles, EXCEPT:
 - a) arthritis;
 - b) herniated intervertebral discs;
 - c) scoliosis;
 - d) spinal fractures;
 - e) osteopathies;
 - f) spinal tumors, malignancy, or vascular malformations;
 - g) radiculopathies;
 - h) spondylolisthesis, grade II or higher;
 - i) myelopathies and myelitis;
 - j) demyelinating disease;
 - k) traumatic spinal cord neurosis;
 - l) myofacial pain syndrome;
- 2) chronic fatigue syndrome;
- 3) fibromyalgia;
- 4) carpal tunnel syndrome; or
- 5) environmental allergic illness, including but not limited to sick building syndrome and multiple chemical sensitivity.]]

SECTION 11 - CONTINUITY OF COVERAGE

[BENEFITS PAYABLE FOR PERMANENT AND TOTAL DISABILITY DUE TO A PRE-EXISTING CONDITION
(this section will not apply when this policy is replacing a Prior Plan of Franchise Coverage)]

Benefits may be payable for a Permanent and Total Disability due to a Pre-Existing Condition for a Person who:

- 1) was insured by the Prior Plan on its termination date; and
- 2) has been continuously covered under this AUL policy from the Policyholder's Effective Date through the date the Person's Permanent and Total Disability began.

The benefit payable will be determined by applying this policy's Pre-Existing Condition exclusion. If the Injury or Sickness that causes a Person's Permanent and Total Disability is not excluded under the Pre-Existing Condition exclusion of this policy, then a Person will be paid the Lump Sum Disability Amount.

If the Injury or Sickness which causes a Person's Disability is excluded under the Pre-Existing Condition exclusion of this policy, as shown in the Schedule of Benefits, and such Injury or Sickness is not excluded under the Prior Plan's Pre-Existing Condition exclusion, giving consideration for continuous time covered under both plans, the Person will be paid the lesser of[the following, except the shorter Elimination Period of the two plans will apply]:

- 1) the Lump Sum Disability Amount determined without application of the Pre-Existing Condition exclusion as determined by AUL; or
- 2) the lump sum disability benefits of the Prior Plan.

If the Injury or Sickness is excluded under the Prior Plan's Pre-Existing Condition exclusion, giving consideration for continuous time covered under both Plans, no Lump Sum Disability Amount will be paid.]

SECTION 11 - CONTINUITY OF COVERAGE

[BENEFITS PAYABLE FOR PERMANENT AND TOTAL DISABILITY DUE TO A PRE-EXISTING CONDITION
(this section will not apply when the policy is replacing a Prior Plan of Franchise Coverage)]

Benefits may be payable for a Permanent and Total Disability due to a Pre-Existing Condition for a Person who:

- 1) was insured by the Prior Plan on its termination date; and
- 2) has been continuously covered under this AUL policy from the Policyholder's Effective Date through the date the Person's Permanent and Total Disability began.

The benefit payable will be determined by applying the policy's Pre-Existing Condition exclusion. If the Injury or Sickness that causes a Person's Permanent and Total Disability is not excluded under the Pre-Existing Condition exclusion of the policy, then a Person will be paid the Lump Sum Disability Amount.

If the Injury or Sickness which causes a Person's Disability is excluded under the Pre-Existing Condition exclusion of the policy, as shown in the Schedule of Benefits, and such Injury or Sickness is not excluded under the Prior Plan's Pre-Existing Condition exclusion, giving consideration for continuous time covered under both plans, the Person will be paid the lesser of[the following, except the shorter Elimination Period of the two plans will apply]:

- 1) the Lump Sum Disability Amount determined without application of the Pre-Existing Condition exclusion as determined by AUL; or
- 2) the lump sum disability benefits of the Prior Plan.

If the Injury or Sickness is excluded under the Prior Plan's Pre-Existing Condition exclusion, giving consideration for continuous time covered under both Plans, no Lump Sum Disability Amount will be paid.]

[SECTION 12 – PORTABILITY PRIVILEGE

If a Person's insurance under the policy terminates for any reason other than stated below, the Person is entitled to continue his coverage for [12 months] without submission of Evidence Of Insurability. To be eligible for this Privilege, the Person must have been insured under the policy for at least [12 consecutive months] immediately preceding the Person's individual termination.

This Portability Privilege provides a Lump Sum Disability Benefit Amount equal to [50%] of the coverage the Person had immediately prior to the date of his termination. Any benefits payable under this Section are governed according to the provisions of the policy

This Portability Privilege is subject to the following:

- 1) written application for Portability must be made within 31 calendar days after termination of insurance under the policy;
- 2) payment of the amount of premium owed;
- 3) the premium is based on the Person's age and the premium rate in effect on the date of application for Portability; and
- 4) the effective date for the Person under the Portability Privilege is the date immediately following the date of his termination.

The Portability Privilege is not available to any Person:

- 1) whose insurance under the policy terminates for any of the following reasons:
 - a) the Person enters a class of Participants that are not eligible for coverage under the policy;
 - b) the Person retires (including, but not limited to, when the Person receives payment from any Employer's Retirement Plan as recognition of past services or has concluded his/her working career); or
 - c) the Person fails to pay any required premiums;
 - d) the Person was paid a Lump Sum Disability Benefit;
- 2) who is or becomes insured for any other coverage similar to the type of coverage provided by the policy within 31 days after termination under the policy;
- 3) who is Disabled under the terms of the policy; or
- 4) who is on Leave of Absence.

Insurance under the Portability Privilege will terminate on the earliest of the following dates:

- 1) the last day for which any required premium has been made;
- 2) the date the Person requests termination, but not prior to the date of the request;
- 3) the last day of a Coverage Month, provided that AUL has given at least [31] days prior written notice to the Person;
- 4) the date the Person retires;
- 5) the date the policy terminates;
- 6) the date the Person enters active military service for any country, except for temporary duty of 30 days or less;
- 7) the date that coverage begins under any other insurance policy that provides coverage similar to coverage provided by the policy;
- 8) the date following [12 months] of coverage;
- 9) the date the Lump Sum Disability Benefit is paid to the Person; or
- 10) the date a Person leaves the United States or Canada and establishes his residence in any other country. A Person will be considered to reside outside these countries when the Person has been residing outside the United States or Canada during the Elimination Period or Benefit Eligibility Period.

SERFF Tracking #:

AULD-128839335

State Tracking #:

Company Tracking #:

GROUP LUMP SUM DISABILITY

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

Project Name/Number:

/

Rate Information

Rate data applies to filing.

Filing Method:

SERFF

Rate Change Type:

%

Overall Percentage of Last Rate Revision:

0.000%

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

none

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
American United Life Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	%

SERFF Tracking #:

AULD-128839335

State Tracking #:**Company Tracking #:**

GROUP LUMP SUM DISABILITY

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

Project Name/Number:

/

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1	Approved 01/17/2013	Rate Manual	G 3702, GC 3702	New		Lump Sum Rate Manual - 05-01-12.pdf

American United Life Insurance Company
Indianapolis, Indiana
Group Lump Sum Disability Rate Calculation
March, 2012

The following pages describe the rating process for Group Lump Sum Disability manual premiums. The major steps in the calculation can be broken down as follows:

	Page
A. Census Calculations	2
B. Rate Computation	2
C. Monthly Base Rates Per \$1,000 Benefit	3
D. Plan Design Adjustments	3
E. Occupation Adjustment and Occupation Categories	7
F. Industry and Area Adjustments	12
G. Expenses, Profit Margin, and Tolerable Loss Ratio	12

**American United Life Insurance Company
Indianapolis, Indiana
Group Lump Sum Disability Rate Calculation
March, 2012**

A. Census Calculations

Each census should contain:

1. Age, Year of Birth, or Date of Birth
2. Gender
3. Salary and Salary Mode (frequency at which the salary is paid) or Volume
4. Occupation Code
5. Class

For each life in the census, the following will be calculated:

1. Attained age as of the effective date. For YOB entries, July 1st birthdates are used. For Age entries, age is defined as age last birthday.
2. Estimated reduced benefit amount based on salary, benefit options, and age reduction schedule
3. Annual expected claim cost (Estimated reduced benefit amount x applicable occupation factor x applicable base rate)
4. GI risk benefit amount above the normal risk benefit amount

B. Rate Computation

The following calculation may be used for either composite rates or age banded rates:

Total Estimated Reduced Benefit / 1,000 / 12
x Applicable Monthly Base Rate
x Product of Plan Design Adjustments
x Average Occupation Adjustment
x Industry and Area Adjustments
= Monthly Claim Cost Rate

Monthly Claim Cost Rate / Tolerable Loss Ratio
= Monthly Manual Premium Rate

**American United Life Insurance Company
Indianapolis, Indiana
Group Lump Sum Disability Rate Calculation
March, 2012**

C. Monthly Base Rates Per \$1,000 Benefit

Gender and Age Band	Elimination Period (EP) Days					
	Up to 90	120	150	180	270	360
Female 24 and under	0.0188	0.0186	0.0178	0.0164	0.0157	0.0148
Female 25-29	0.0299	0.0288	0.0272	0.0238	0.0234	0.0218
Female 30-34	0.0450	0.0437	0.0415	0.0378	0.0370	0.0347
Female 35-39	0.0643	0.0628	0.0606	0.0566	0.0551	0.0519
Female 40-44	0.0883	0.0874	0.0858	0.0821	0.0805	0.0777
Female 45-49	0.1323	0.1325	0.1315	0.1291	0.1258	0.1208
Female 50-54	0.1832	0.1843	0.1836	0.1814	0.1790	0.1743
Female 55-59	0.2509	0.2575	0.2624	0.2665	0.2669	0.2662
Female 60 and over	0.4969	0.5109	0.5217	0.5273	0.5236	0.5071
Male 24 and under	0.0161	0.0169	0.0173	0.0167	0.0152	0.0125
Male 25-29	0.0207	0.0211	0.0212	0.0206	0.0187	0.0156
Male 30-34	0.0297	0.0306	0.0306	0.0301	0.0284	0.0256
Male 35-39	0.0487	0.0499	0.0500	0.0493	0.0471	0.0434
Male 40-44	0.0817	0.0835	0.0840	0.0835	0.0803	0.0757
Male 45-49	0.1377	0.1406	0.1425	0.1430	0.1375	0.1296
Male 50-54	0.2244	0.2303	0.2339	0.2367	0.2246	0.2088
Male 55-59	0.3428	0.3504	0.3557	0.3602	0.3378	0.3096
Male 60 and over	0.6134	0.6237	0.6297	0.6355	0.5896	0.5189

D. Plan Design Adjustments

1. Rate Guarantee Period

<u>Option</u>	<u>Factor</u>
Up to 17 months	1.00
18 to 27 months	1.00
28 to 40 months	1.05
41 to 53 months	1.08
54 or more months	1.10

**American United Life Insurance Company
Indianapolis, Indiana
Group Lump Sum Disability Rate Calculation
March, 2012**

2. Pre-Existing Condition Exclusion

<u>Option</u>	<u>Factor</u>
3/12	1.00
3/3/12	1.01
3/6/12	1.01
6/12	0.99
6/24	0.94
6/6/12	0.99
6/6/24	0.96
6/12/24	0.95
12/12	0.97
12/24	0.92
12/6/24	0.93
12/6/12	0.98
12/12/12	0.98
12/12/24	0.93

3. Benefit Eligibility Period (BEP)

<u>BEP Months*</u>	<u>Elimination Period (EP) Days</u>							
	<u>30</u>	<u>60</u>	<u>90</u>	<u>120</u>	<u>150</u>	<u>180</u>	<u>270</u>	<u>360</u>
-	0.60	0.60	0.60	0.63	0.67	0.70	0.80	0.90
6.00	0.80	0.80	0.80	0.83	0.87	0.90	0.89	0.88
12.00	0.90	0.90	0.90	0.92	0.93	0.95	0.95	0.95
24.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
36.00	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05

* Factors for other BEP Months will be linearly interpolated.

4. Waiver of Premium

<u>Option</u>	<u>Factor</u>
Begin on 13th Week	1.00
Begin on Disability Date	1.00

5. Accumulation of the EP

<u>Option</u>	<u>Factor</u>
None	1.00
2X EP	1.01

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Indianapolis, Indiana
Group Lump Sum Disability Rate Calculation
March, 2012**

6. Rate Type

<u>Rate Type</u>	<u>Minimum Participation Requirement</u>	<u>Factor for Incremental Benefit Options</u>	<u>Factor for Flat Benefit Options</u>
Composite	25%	1.35	1.25
Composite	40%	1.25	1.15
Composite	50%	1.20	1.10
Composite	75%	1.15	1.05
Composite	100%	1.00	1.00
Age Banded	All	1.00	1.00

7. Guaranteed Issue Amount

The “Normal Risk” is assumed to be a % of annual salary, not to exceed specified dollar amount (set at \$50,000 for 2012 and indexed annually).

The “GI Risk” is the lesser of the maximum benefit amount and the GI, in excess of the “Normal Risk.”

The factor is a linear interpolation on the value for (Total “GI Risk” for the group + Total “Normal Risk” for the Group) / Total “Normal Risk” between 100% and 200%, with the endpoint factors being:

<u>(“GI Risk + “Normal Risk”) / “Normal Risk”</u>	<u>Factor</u>
100%	1.00
200% and above	1.20

8. Portability

<u>Option</u>	<u>Factor</u>
No	1.00
Yes – Port at Group Rates	1.02

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9. Employer FICA Tax Services

<u>Option</u>	<u>Factor</u>
BEP months + EP months <= 6 months	1 + SS FICA tax rate
BEP months + EP months > 6 months	1 + (6 – EP months) / BEP months * SS FICA tax rate

Note: The SS FICA tax rate will be changed whenever the tax percentage changes by law. It is currently 7.65%.

10. Contribution and Participation

<u>Option</u>	<u>Factor</u>
Noncontributory	1.00
Contributory	1.00 + [.70 x (1 – Expected Participation %)]

11. Definition of Disability during the Elimination Period

<u>Option</u>	<u>Factor</u>
Regular "Own" Occ	1.00
Own Job "Specialty"	1.00

12. Definition of PTD during the Benefit Eligibility Period

<u>Option</u>	<u>Factor</u>
Any Occ	1.00
Regular "Own" Occ	1.10
Own Job "Specialty"	1.20

13. Guaranteed Increase Benefit Option

<u>Option</u>	<u>Factor</u>
<= \$2,000	1.00
> \$2,000	1 + .01 x (GIB – 2,000) / 1,000)

14. Reduced benefit for Mental Illness, Drug Alcohol, or Special Conditions

Mental Illness Limitation % x 2.9%
+ Drug/Alcohol Limitation % x 0.5%
+ Special Conditions Limitation % x 1.2%
+ 100% x (1 - 2.9% - 0.5% - 1.2%)
= Adjustment Factor

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E. Occupation Adjustment and Occupation Categories

The average occupation adjustment is calculated from the occupation factors weighted by the expected reduced benefit amount for the individuals in the census.

WC% = % of expected reduced benefit amount for White Collar

GC% = % of expected reduced benefit amount for Grey Collar

BC% = % of expected reduced benefit amount for Blue Collar - Skilled

BCU% = % of expected reduced benefit amount for Blue Collar - Unskilled

Occupation Adjustment = (WC% x 1.00) + (GC% x 1.20) + (BCS% x 1.60) +
(BCU% x 2.50)

Occupational Categories

1. White Collar Occupations -- Includes persons engaged in upper-level business management and professionals.

Positions generally require a college degree and extensive experience in that business or field. Since these types of occupations generally require a high level of independent thinking and decision making, the potential to retrain or transfer attained skills is high thus enhancing return to work possibilities. In addition, since manual duties are typically not required in these occupations, the potential for incurring physical disabilities exacerbated by job are low. Job duties involve considerable responsibility for decision and policy-making and also may include supervisory responsibilities or knowledge and technical application of high technology:

Account/Portfolio Manager	Engineer, Radio/TV
Accountant or Financial Personnel	Executive
Actuary	Financial Analyst
Administrator	Funeral Director/Mortician
Advertising Agent	Geologist, (Without field duties)
Radio or TV Announcer	Insurance Broker
Appraiser or Estimator	Interior Decorator
Architect	Librarian
Administrative Assistant	Mail Clerk
Artist	Manager (In office only)
Attorney	Office Manager
Buyer or Purchasing Agent	Officer
Bank Teller	Paralegal
Chaplain, Pastor or Minister	Pharmacist
	Photographer

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Chemist, (Except Maintenance & Production)	Plant Manager
Computer Operator	Programmer
Computer Programmer	Psychiatrist or Psychologist
Consultant	Receptionist
Bookkeeper	Sales (Office Environment)
Controller	Scientist
Cashier (Office only)	Secretary
Data Entry Clerk	Stock Broker or Bond Trader
Department Head	Superintendent, white collar
Designer	Supervisor, (White Collar Industry)
Draftsman	Teacher/Professor
Editor	Technician
Engineer, Chemical	Therapist (Physical, Occupational or Vocational)
Engineer, Civil	Underwriter
Engineer, Electrical	Veterinarian
Engineer, Mechanical	Word Processor

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2. Gray Collar Occupations – Includes employees who are engaged in non-hazardous occupations outside of an office environment, and who need specific skills and extensive training to perform their occupation.

They have light or limited manual duties. This occupational category reflects some of the potential for transferability of skills present in white collar occupations. However, the manual duties required in these jobs do result in higher incidence of claim and could limit return to work/rehabilitation opportunities.

Assembler (high tech)
Chemist (Maintenance and Production)
Computer Technician
Construction Superintendent
Dispatcher
Dental Hygienist/Assistant

Dentists
Manager (out of office, ex., Fast Food,
Supermarket, Theater Manager)
Medical/Lab/Pharmacy

Machine Repair (Office)
Physicians/Doctors
Pilot
Reporter
Social Worker
Supervisor/Foreman
(see Occ. Notes)
Surgeon

Teachers' Aide
Technician

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3. Blue Collar Skilled Occupations – Includes Skilled Crafts & Labor: Workers of high level who have a thorough and comprehensive knowledge of the process involved in their work.

Duties include physical or manual responsibilities not performed in an office environment and independent judgment and extensive training is required. The physical duties generally required in this class of occupation lend themselves to a higher expected incidence of claim than the white or gray collar employees. Transferability of skills and return to work opportunities are limited due to narrow skill sets and generally lower levels of formal education.

Assembler (not high tech)	Paramedic/EMT
Auto Body Repair	Plumber/Pipefitter
Cabinet Maker	Pressman/Printer
Carpenter	Production Worker
Convenience Store Manager	Quality Control Inspector
Driver (Short Haul)	Real Estate Agents
Electrician	Repairman
Engineer, Operating	Sales (outside office environment, ex. car)
Flight Attendant Duties)	Service Representative (Manual
General Contractor	Service Station Manager
Installer	Supervisor/Foreman (see Occ.
Notes)	
Machine Repair (Non-office)	Surveyor
Machinist	Tool Maker/Die Maker
Mechanic	Tool Pusher
Meter Reader	Typesetter
Nurses (LPN, LVN, LGN, RN)	Welder

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4. Blue Collar Unskilled Occupations – Includes occupations that involve hazardous, stressful, or heavy manual duties, sometimes requiring the application of little or no independent judgment.

Duties are often elementary and can be learned in a few days or have a high risk of on the job injury. “Service” employees, with extensive exposure to the public, are included in this category of occupations. The requirements of performing mundane or physical duties result in the highest expected incidence of claims of all four occupational categories. In addition, there are little, if any, transferable skills attained in these occupations. This negatively impacts the claim management effort.

Air Traffic Controller
Baker
Barber/Hair Dresser
Bartender
Butcher

Cafeteria/Kitchen Worker
Child Care Worker
Cook/Chef
Counter Clerk/Sales/Retail
Dock Worker (Longshoreman, Stevedores)
Driller (except Oil)
Driver (Bus, Long Haul, Taxi, Delivery)

Drywaller
Entertainment Worker (Actor, Musician)

Exterminator
Farm/Dairy Worker
Fireman
Gardener
Gas Station Worker
Grocery Clerk
Groundskeeper/Landscaper
Heavy Equipment Operator
Inventory Clerk (manual duties)
Janitor/Custodian
Laborer
Lineman/Cable Worker

Maintenance
Mason/Tile Layer
Messenger
Mill Worker
Natural Resource Worker
(Logger, Fisherman,
Quarryman, Miner)
Nurses’ Aide/Orderly
Oil Driller
Packing/Material Handler
Painter
Policeman
Poultry Plant Processor
Residential Real Estate
Agent/Broker
Roofer
Sales (outside office
environment, ex. Door-to-door)
Security Guard
Shipping & Receiving Clerk
Sport Pro/Coach
Steel Worker
Stock Clerk
Tailor
Waiter/Waitress
Warehouseman/Clerk
Window Washer

**American United Life Insurance Company
Indianapolis, Indiana
Group Lump Sum Disability Rate Calculation
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F. Industry and Area Adjustments

The overall average for the industry adjustments is 0.98.
The overall average for the area adjustments is 1.00.
Both tables are available upon request.

G. Expenses, Profit Margin, and Tolerable Loss Ratio

Flat Expenses – These are comprised of per enrolled life, per group, and % of claims factors, which are all available upon request.

Percentage Expenses and Profit Margin -- Available upon request.

Premium Tax, Licenses, and Fees -- Available upon request.

Note: The state premium tax will be changed in accordance with changes states make to their health premium tax.

Commissions (may be flat or scheduled commissions)

a) Scheduled Commissions – One schedule option is our Schedule C, shown below:

<u>Annual Premium</u>	<u>Schedule C</u>
First \$10,000	10.00%
Next \$10,000	8.00%
Next \$10,000	4.00%
Next \$10,000	2.75%
Next \$30,000	2.50%
Next \$30,000	2.00%
Over \$100,000	0.75%

b) Flat Commissions -- Optional flat commissions are input by the user.

c) Overrides -- 2% of premium

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Indianapolis, Indiana
Group Lump Sum Disability Rate Calculation
March, 2012**

A breakdown of the anticipated pricing expenses for the block follows:

<u>Expense Type</u>	<u>% of Premium</u>
Commissions	11%
Overrides	2%
Non-Commission Expenses	18%
Taxes, Licenses, and Fees (includes Premium Tax)	3%
<u>Profit Margin</u>	<u>6%</u>
Total Expenses	40%
Anticipated Tolerable Loss Ratio for the Block	60%

SERFF Tracking #:

AULD-128839335

State Tracking #:

Company Tracking #:

GROUP LUMP SUM DISABILITY

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

Project Name/Number:

/

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification	Approved	01/17/2013
Comments:			
Attachment(s):			
Standard READCERT1.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Application	Approved	01/17/2013
Comments:	Application G-20355 approved by your Department on October 9, 2007 under SERFF Tracking No. AULD-125296677.		

		Item Status:	Status Date:
Satisfied - Item:	Actuarial memo	Approved	01/17/2013
Comments:			
Attachment(s):			
Lump Sum Actuarial Memorandum - 05-01-12.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Statement of Variables	Approved	01/17/2013
Comments:			
Attachment(s):			
AR Statement of Variables - 1-8-13.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Cover letter and forms list	Approved	01/17/2013
Comments:			
Attachment(s):			
AR Forms List 1-8-13.pdf			
Cover Letter- 1-8-13.pdf			

SERFF Tracking #:

AULD-128839335

State Tracking #:

Company Tracking #:

GROUP LUMP SUM DISABILITY

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

Project Name/Number:

/

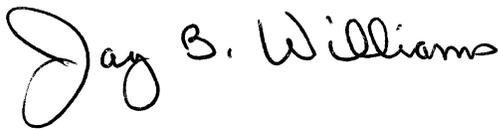
		Item Status:	Status Date:
Satisfied - Item:	Complete policy and certificate	Approved	01/17/2013
Comments:			
Attachment(s):			
Lump Sum Disability Direct Certificate - 1-8-13 _AR_.pdf			
Lump Sum Disability Direct Policy - 1-8-13 _AR_.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Response letter	Approved	01/17/2013
Comments:			
Attachment(s):			
Response Letter- 1-17-13.pdf			

CERTIFICATE OF READABILITY

I, Jay B. Williams, Vice President and Chief Compliance, an officer of the AMERICAN UNITED LIFE INSURANCE COMPANY®, hereby certify that the attached Group Lump Sum Disability forms have achieved a Flesch Reading Ease Score that complies with the requirement Statutes and Regulations.

AMERICAN UNITED LIFE INSURANCE COMPANY ®

A handwritten signature in black ink that reads "Jay B. Williams". The signature is written in a cursive style with a large, looped initial "J".

Jay B. Williams
Vice President and Chief Compliance Officer

Date: January 8, 2013

American United Life Insurance Company®
A OneAmerica Financial Partner
Indianapolis, IN
Group Lump Sum Disability
Actuarial Memorandum

Purpose

This actuarial memorandum has been prepared to support the new form filing of our Group Lump Sum Disability product. The purpose of this rate filing is to demonstrate this new rating formula is in compliance with regulatory authority. It may not be appropriate for other purposes.

Benefit Summary

This policy form provides one lump sum benefit when an individual is not able to work as a result of a permanent and total disability from an accident or sickness. Benefits are a flat amount chosen by either the employee or employer, which are subject to a maximum benefit amount defined in the policy. Benefits are payable after the elimination period (EP) requirements have been satisfied and when the person becomes permanently and totally disabled according to their contract's requirements during the benefit eligibility period (BEP). These disability benefits are not integrated with other income benefits because they are intended to help provide for the additional financial needs incurred by individuals when they suffer from severe disabilities.

Policies are issued to our customers on an optionally renewable basis with premium rates typically guaranteed for one or two years. Coverage is provided to all employees regardless of age provided they meet the eligibility requirements under the group policy.

Premium Calculation

Premium rates are calculated for each group policyholder based upon the plan of benefits, demographic composition of the employee group and characteristics of the group policyholder. Premium rates are based on a combined analysis of the 2008 GLTD table and company experience, reflecting permanent and total disability incidence. Either a single composite rate for all employees or attained age rating bands may be used. Rates in both situations will usually be presented as monthly rate per \$1,000 benefit.

Marketing Method

This product is marketed, primarily to employer groups, by captive agents and independent brokers working with AUL's group sales representatives.

Underwriting

Case-level underwriting will be done in general accordance with standard group underwriting practices. A vast majority of certificates are issued on a guaranteed basis. Medical underwriting applies only in instances such as small groups (less than 25 lives), late enrollees, or for coverage amounts in excess of the guarantee issue limit, which varies by group. These practices are common in the group insurance industry and are used to spread risk and control selection. No explicit claim cost decrease is associated with this underwriting.

Premium Classes

Premium rates vary according to the plan design chosen by the group and the demographics of the insured group including age, gender, occupation class, industry, and salary levels.

Issue Age Range

It is expected that most insureds will be between ages 19-70. Group composite rates are based on the attained ages of the covered employees.

Expense Breakdown

This product is priced to produce the following block average expenses, profit margin, and tolerable loss ratio (TLR) as a percent of premium:

Commissions and Overrides	13%
Taxes, Licenses, and Fees	3%
Other Non-Commission Expenses	18%
<u>Profit Margin</u>	<u>6%</u>

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Indianapolis, IN
Group Lump Sum Disability
Actuarial Memorandum

Total Expenses and Profit	40%
TLR	60%

Certification

I certify that to the best of my knowledge and judgment, this rate filing is in compliance with the applicable laws of your state and complies with Actuarial Standard of Practice No. 8. The benefits provided under this product form are deemed to be reasonable in relation to the premiums charged.

The rates as filed are anticipated to produce a loss ratio of not less than 60% as measured using statutory assumptions.



Kathy Davis, FSA, MAAA
Sr. Associate Actuary

Date: May 7, 2012

**ARKANSAS
STATEMENT OF VARIABLES
LUMP SUM DISABILITY FORMS**

Unless otherwise noted in the Specific Variables, all bracketed text, including optional features/provisions on the forms and within this Statement of Policy and Certificate Variables, is variable only to the extent that it may be included or omitted according to a policyholder's plan of insurance. Within any provision in the policy and certificate, percentages, amounts and time frames will vary.

Titles of specific Acts or Laws may be modified as appropriate.

Letters and numbers as they appear in a list, punctuation or words such as "and" or "or" will be included or omitted as needed in order to make the statement or list read correctly.

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702 GC 3702(04)	Title Page	Policyholder Name	Self-explanatory variable – bracketed to support case specific information.
		Policy Anniversary & Effective Dates, Annual Company Meeting	Self-explanatory variable fields for each insured person and/or group, allowing for the noted information to be updated as applicable. System generated. Date in fifth paragraph of G 3702 bracketed so new date can be inserted if date of meeting should change.
		Names and Titles of AUL's Officers signing contract	Bracketed for ease in updating as need arises whenever there is a change in an officer or his title – new name and/or title would be inserted and old name and/or title would be deleted.
G 3702.1 GC 3702.1	Table of Contents	Table of Contents	Benefits may or may not appear on page depending on Policyholder selection; all system generated fields. Also allows for insertion of new benefit options in the future w/o renumbering this page – new benefit options would be filed in their entirety.
G 3702.2 GC 3702.2	Section 1 – Schedule of Benefits	Eligible Class	Most Common Class is "Full Time Participants". Policyholder may elect other class descriptions such as "Full Time Hourly Participants" or "Full Time Salary Participants". Whatever group description is used would be an eligible group under the applicable law.
		Class Number/Option	Numbers would start with 1 and run consecutively to cover the number of classes in the group.
		Lump Sum Disability Benefit Amount	Three payment options are available. The Lump Sum Benefit could be: 1) a flat amount between \$1,000 and \$1,000,000; 2) a flat amount available in \$500 - \$3,000 increments (standard being \$1,000 increments) with a minimum payment of \$1,000 and a maximum of \$1,000,000; or 3) the Policyholder could elect up to 10 different benefit amount options for the employee to choose from. Each benefit amount would range from \$1,000 to \$1,000,000. Only the benefit amounts elected by the Policyholder would print in the policy and only the benefit amount pertaining to a particular class would print in the certificate for that class.

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702.2 GC 3702.2 (continued)	Section 1 - Schedule of Benefits (continued)	Policy Month	The standard options are the first day of the month and the last day of the month. However, both the “first” and “last” day could be changed to any day of the month, depending on the Employer’s election
		Reductions	The intent is that the reductions displayed in a table format on the Schedule of Benefits will be standard. However, there may be instances where the ages, percentages, and display of the reductions may vary. In all display options of the reductions, the ages for which reductions apply may range from ages 40 and above and the number of age bands with age reductions may also vary. The number of ages in each age band is expected to be at least 5 (quinquennial age bands). The reduced benefit percentage (reduce to) may range from [95% - 0%]. Conversely, the reduction percentage (reduce by) = 100% - reduced benefit percentage and can range from [5% - 100%]. In very rare instances when the reduction is requested to be a specific dollar amount rather than a percentage, the reduced amounts can range from [\$1,000 - \$1,000,000] depending on the selected plan benefit levels.
		Scheduled Enrollment Period	Standard is 90 days. Range is 30-120 days.
G 3702.3 GC 3702.3	Section 2 - Definitions	Active Work and Actively At Work (second and third paragraphs)	Policyholder may choose Regular Occupation, Regular Job option. Only option elected by Policyholder will appear.
		Disability and Disabled	Policyholder may choose Regular Occupation, Regular Job or any occ definition. All variables are indicated in the contract.
G 3702.3/1 GC 3702.3/1	Section 2 - Definitions	Guaranteed Increase in Benefit (GIB)	Bracketed to allow item to move in or out depending on Employer election. System generated field.
		Life Event Benefit (LEB)	Bracketed to allow item to move in or out depending on Employer election. System generated field.
G 3702.3/2 GC 3702.3/2	Section 2 - Definitions	Permanent and Total Disability and Permanently and Totally Disabled	Bracketed in case the Employer would choose to have different criteria other than what we would consider to be standard thus eliminating the need for so many one-case filings. Range of months in 1) is 12-36 with the standard being 24. Changes would require underwriting approval. Employer would elect occupation variable as indicated in item 1).
G 3702.3/3 GC 3702.3/3	Section 2- Definitions	Pre-existing Condition	Various durations offered (also see Schedule of Benefits page) as allowed by state law and plan design; system generated field.
		Regular Attendance	Bracketed for ease in making Employer-requested changes with underwriting approval. .
		Regular Job	Bracketed to allow item to move in or out depending on Employer election. System generated field.
G 3702.3/4(04) GC 3702.3/4(04)	Section 2- Definitions	Regular Occupation	Bracketed to allow item to move in or out depending on Employer election. System generated field.
		Treatment Free	Bracketed to allow item to move in or out depending on Employer election. System generated field.
		Waiting Period	Sentence starting “Part time employees will receive credit for the number of continuous days worked . . .” is bracketed to allow item to move in or out depending on Employer election - system generated field.

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702.4 GC 3702.4	Section 3 – Eligibility and Individual Effective Date	Eligibility Date	Self-explanatory variable fields. Only variables elected by Employer will appear. System generated fields.
G 3702.4-1 G 3702.4-1/1 GC 3702.4-1 GC 3702-4-1/1	Section 3 – Eligibility and Individual Effective Date	Late Enrollee	Self-explanatory variable fields. Only variables elected by Employer will appear. System generated fields.
		Eligibility Date	Self-explanatory variable fields. Only variables elected by Employer will appear. System generated fields.
		Enrollment/Initial Enrollment Period	Bracketed in case the Employer would choose to have different criteria other than what we would consider to be standard thus eliminating the need for so many one-case filings. Changes would require underwriting approval.
		Scheduled Enrollment Period	Entire section bracketed to allow it to move in or out depending on Employer election. Items b), c), d) and e) are bracketed to allow each item to move in or out depending on Employer election. System generated fields.
		Delayed Enrollment Period.	Entire section bracketed to allow item to move in or out depending on Employer election. System generated field.
		Evidence of Insurability	Items 1) and 5) are always applicable. Items 2), 3), 4) are bracketed to allow each item to move in or out depending on Employer election - system generated fields.
G 3702.5 GC 3702.5	Section 3 – Eligibility and Individual Effective Date	Individual Effective Date of Insurance (Initial Participant)	Four options are listed and each is bracketed. While multiple options may appear in the policy, on the option elected by the Policyholder will appear in the certificate for each class. All options not elected by the Policyholder will be deleted in their entirety. Item 2)b) includes a variable for the Date of Insurance for an eligible New Participant. This can be either 1) the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month or 2) the first day of the next Coverage Month following the Participant's Date of Hire. Only the option elected by the Policyholder will appear. All fields are system generated.
G 3702.5/1 GC 3702.5/1	Section 3 – Eligibility and Individual Effective Date	Individual Effective Date of Insurance (New Participant)	Four options are listed and each is bracketed. While multiple options may appear in the policy, on the option elected by the Policyholder will appear in the certificate for each class. All options not elected by the Policyholder will be deleted in their entirety. Item 2) includes a variable for the Date of Insurance for an eligible New Participant. This can be either 1) the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month or 2) the first day of the next Coverage Month following the Participant's Date of Hire. Only the option elected by the Policyholder will appear. All fields are system generated.
		Late Enrollee	Bracketed to allow item to move in or out depending on Employer election. System generated field.

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702.6 G 3702.6-1 G 3702.6-2 GC 3702.6 GC 3702.6-1 GC 3702.6-2	Section 4 – Changes in Insurance	Effective Date of Change	There are 6 options: 1) Immediate and GIB; 2) First of the Coverage Month and GIB; 3) Anniversary and GIB; 4) Anniversary and No GIB; 5) First of Coverage Month and No GIB; and 6) Immediate and No GIB. All sections are bracketed in their entirety to allow sections to move in or out depending on Employer election. Only section(s) elected by Employer will appear. Language in 3 rd paragraph of each section stating “(except a Person on an Employer-approved leave of absence other than for Sickness or Injury)” would only be included if elected by the Employer (continued coverage during leave of absence). The last paragraph on each of these pages would only appear if applicable. All fields are system generated.
G 3702.6/1 GC 3702.6/1	Section 4 – Change in Insurance	Changing Lump Sum Disability Options	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field.
		Decreasing the Lump Sum Disability Benefit Amount	Options in the first paragraph are employer elections and only elected option will appear. The last paragraph on this page would only appear if applicable. All fields are system generated.
G 3702.6-3 G 3702.6-3/1 GC 3702.6-3 GC 3702.6-3/1	Section 4 – Changes in Insurance	Guaranteed Increase in Benefit	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field. Age range in item 1) is 60-90 with the standard being 65. Item 6) is bracketed to allow item to move in or out depending on Employer election - system generated field. The range of years in item 7) is 1-12 with 6 being the standard. Age range for reductions is 60-90 with the standard being 65.
		Automatic GIB Provisions	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field.
		Coverage Amounts Requested in Excess of the Guaranteed Increase in Benefit	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field.
G 3702.6-4(04) GC 3702.6-4(04)	Section 4 – Changes in Insurance	Life Event Benefit	Entire section bracketed to allow item to move in or out depending on Employer election. “Person” and “Late Enrollee” options are variable depending on the election of the Employer. All fields are system generated. Day range in e) is 30 – 120 with the standard being 90. The age range in 3) is 60-90 with the standard being 65. The last paragraph may only be omitted with underwriting approval.
G 3702.7 GC 3702.7	Section 5 – Terminations	Individual Termination	Items 2) and 8) allow Policyholder to elect terminations to occur either immediately or at the end of the coverage month following the date of termination. Items 8) c) – waiver of premium, d) – continued coverage during leave of absence, and e) – continued coverage during layoff and item 9) – the date a Person enters Military Service are bracketed to allow items to move in or out depending on Policyholder elections.
		Termination of the Policy	Items 5) and 6) - The 31-day notice is standard and bracketed to allow changes per state specific variables as required by laws & employer requests for longer periods. Range is 15 days - 90 days

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702.8 G 3702.8/1 GC 3702.8 GC 3702.8/1	Section 5A – Individual Reinstatement	Individual Reinstatement	The 31-day notice in the first paragraph is standard and bracketed to allow changes per state specific variables as required by laws & employer requests for longer periods. Range is 15 days - 90 days. Items c) and d) are bracketed to allow item to move in or out depending on Employer election. Only option elected will appear. Time variables in these two sections are self-explanatory. These fields are system generated. Item 3) a) indicates an option of either immediate or first of the coverage month. Only option elected by Employer will appear – field is system generated. Item 5) will only appear if Employer does not elect cont. during a leave of absence for military duty. Field is system generated.
G 3702.9 GC 3702.9	Section 5B – Continuation of Personal Insurance Under FMLA	Continuation of Personal Insurance Under FMLA	Item 10) will only appear if Employer does not elect cont. during a leave of absence for military duty. Field is system generated.
G 3702.9-1 GC 3702.9-1	Section 5C – Continuation of Personal Insurance During a Leave of Absence or Temporary Layoff	Heading and Footer	Provision bracketed so that may include continuation during a Leave of Absence and/or Temporary Layoff depending upon the Policyholder’s election.
		Leave of Absence	Definition may or may not include temporary layoffs depending upon the Employer’s election.
		Continuation of Personal Insurance While Temporarily Laid Off	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field. Employer can elect for benefit to be continued to the end of the coverage month or a specified time periods. Variables are self-explanatory and system generated.
		Continuation of Personal Insurance Under a Leave of Absence	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field. Employer can elect for benefit to be continued to the end of the coverage month or a specified time periods. Variables are self-explanatory and system generated. Item 10) will only appear if Employer does not elect cont. during a leave of absence for military duty - system generated field.
G-3702.10 GC 3702.10	Section 6 – Premium Payment	Premium Rates	Item 1) – Standard is two years, but one, two, three, four or five years may be negotiated by underwriter and employer. Field is system generated. 31-day advance notice of rate change is standard, but varies according to various state laws & employer -negotiated longer periods of time with approval from underwriter; system generated by state of issue. Range is 31 days - 100 days. Item 3) Item 3) - Percentage is standard & bracketed for ease in change due to state law requirements and/or company procedural changes. Standard is 10%. Range is 10%-30%.
		Waiver of Premium Benefit	Two variations (one for contributory contracts and one for non-contributory contracts) are available and are reflected within the provision. Entire section is also bracketed to allow provision to move in or out depending on Employer election. All fields are system generated.
G 3702.12 GC 3702.12	Section 7 General Policy Provisions	Grace Period	Number of days bracketed to allow state variations as necessary, per state law. Standard is 31 days. Range is 10-60 days.
		Insurance Fraud	Standard provision, bracketed for ease in making state required variations and/or company procedural changes.

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702.13 GC 3702.13	Section 7A – Claim Procedures	Initial Notice of Disability	Initial Claim Form – Standard 90-day return of proof to AUL bracketed to allow for state specific variations required by law. Range is 60 –180 days.
		Claim Forms for Proof of Loss	Providing claim form – Standard 15 day turn around shown. Range: 15-20 days. . Additional Claim requests – Standard 30 day turn around shown. Range is 20-45.
		Legal Action	Items 1 & 3 - 60 days/3 yrs are bracketed to allow for sate variations; fields are system generated. Ranges are 60-90 days/3-6 years.
G 3702.13-1 GC 3702.13-1	Section 7A – Claim Procedures	Right to Appeal	Provision bracketed to allow state variations as necessary, per state law.
		Arbitration	Provision filed as mandatory/non-binding & bracketed to allow state variations as necessary, per state law.
G 3702.13-2 GC 3702.13-2	Section 7A – Claim Procedures	Right of Recovery	Entire section bracketed to allow item to move in or out depending on Employer election.
G 3702.14 GC 3702.14	Section 8 – Insuring Provisions	Recurrent Return to Work Period	Employer may elect either Regular Occupation or Regular Job.
G 3702.14/1 GC 3702.14/1	Section 8 – Insuring Provisions	Death of a Person	Standard benefit is 10%. Range is 10% - 100%.
G 3702.15 GC 3702.15	Section 9 – Exclusions	Pre-Existing Condition Exclusion	Policyholder may elect either the “standard” Pre-Existing Condition Exclusion or the “Treatment Free” Pre-Existing Condition Exclusion. Both options may appear in policy if Policyholder elects different options for different classes. The certificate will only contain the option that pertains to a specific class. All variables within the options are indicated in the text. The entire section is also bracketed to allow the section to be removed if the Policyholder elects to not have a Pre-Existing Condition Exclusion.
G 3702.15/1 GC 3702.15/1	Section 9- Exclusions	Pre-Existing Condition Exclusion	Entire section bracketed to allow item to move in or out depending on Policyholder election. This section would only appear if the contract is replacing a prior plan of franchise coverage.
G 3702.16 GC 3702.16	Section 9 – Exclusions	Entire Page	Entire page bracketed to allow it to move in or out depending on Policyholder election - system generated field.
		Pre-Existing Condition Exclusion on an Increased Benefit or Guaranteed Increase in Benefit	Entire section bracketed to allow it to move in or out depending on Policyholder election - system generated field. The provision will only apply to Guaranteed Increase in Benefit if the Policyholder elects that option. All other variables are included in the text of the policy and certificate submitted for approval.
		Pre-Existing Condition Exclusion on an Increased Benefit When Changing Carriers	Entire section bracketed to allow it to move in or out depending on Policyholder election - system generated field. All other variables are included in the text of the policy and certificate submitted for approval.
		Pre-Existing Condition Exclusion For a Change in Options	Entire section bracketed to allow it to move in or out depending on Policyholder election - system generated field. All other variables are included in the text of the policy and certificate submitted for approval.

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702.17 GC 3702.17	Section 10 - Limitations	Drug and Alcohol Abuse Limitation	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field. Standard benefit is 20%.
		Mental Illness Limitation	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field. Standard benefit is 20%.
		Special Conditions Limitation	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field. Standard benefit is 20%.
G 3702.18(04) GC 3702.18(04)	Section 11 – Continuity of Coverage	Continuity of Coverage	Entire section bracketed to allow item to move in or out depending on Policyholder election - system generated field. All variables are shown in contract and are self-explanatory.
G 3702.18/1 GC 3702.18/1	Section 11 – Continuity of Coverage	Benefits payable for Permanent and Total Disability Due to a Pre-Existing Condition	This entire page is bracketed as it would be omitted if the contract is replacing a prior plan of franchise coverage. The language in the fourth paragraph is bracketed in order to allow it to move in or out depending on Policyholder election and to reduce the need for one-case filings.
G 3702.19 GC 3702.19	Section 12 – Portability Privilege	Portability Privilege	Paragraph 1 – both variables have a range of 6 – 24 months with 12 months being the standard. Paragraph 2 – range is 20% – 90% with the standard being 50%. Paragraph 5) item 8) variable has a range of 6-24 months with 12 months being the standard. The entire provision is bracketed to allow it to move in or out depending on Policyholder election.

December

**ARKANSAS
FORMS LIST
GROUP DIRECT LUMP SUM DISABILITY CONTRACT**

POLICY FORM NUMBER	DESCRIPTION	CERTIFICATE FORM NUMBER
G 3702	Title Page	GC 3702(04)
N/A	Title Page (No Name)	GC 3702NN(04)
G 3702.1	Table Of Contents	GC 3702.1
G 3702.2 (variable text)	Section 1 - Schedule Of Benefits	GC 3702.2 (variable text)
G 3702.3	Section 2 - Definitions	GC 3702.3
G 3702.3/1	Section 2 - Definitions	GC 3702.3/1
G 3702.3/2	Section 2 – Definitions [AR]	GC 3702.3/2
G 3702.3/3	Section 2 - Definitions	GC 3702.3/3
G 3702.3/4(04)	Section 2 - Definitions	GC 3702.3/4(04)
G 3702.4	Section 3 - Eligibility, Enrollment, and Individual Effective Date (Non-Contrib)	GC 3702.4
G 3702.4-1	Section 3 - Eligibility, Enrollment, and Individual Effective Date (Contrib)	GC 3702.4-1
G 3702.4-1/1	Section 3 - Eligibility, Enrollment, and Individual Effective Date (Contrib-Pg 2)	GC 3702.4-1/1
G 3702.5	Section 3 - Eligibility, Enrollment, and Individual Effective Date	GC 3702.5
G 3702.5/1	Section 3 - Eligibility, Enrollment, and Individual Effective Date	GC 3702.5/1
G 3702.6	Section 4 - Changes In Insurance	GC 3702.6
G 3702.6-1	Section 4 - Changes In Insurance	GC 3702.6-1
G 3702.6-2	Section 4 - Changes In Insurance	GC 3702.6-2
G 3702.6/1	Section 4 - Changes In Insurance	GC 3702.6/1
G 3702.6-3	Section 4 - Changes In Insurance (GIB)	GC 3702.6-3
G 3702.6-3/1	Section 4 - Changes In Insurance	GC 3702.6-3/1
G 3702.6-4(04)	Section 4 - Changes In Insurance (LEB)	GC 3702.6-4(04)
G 3702.7	Section 5 - Terminations	GC 3702.7
G 3702.8	Section 5A - Individual Reinstatement	GC 3702.8
G 3702.8/1	Section 5A - Individual Reinstatement	GC 3702.8/1
G 3702.9	Section 5B - Continuation Of Personal Ins Under FMLA	GC 3702.9
G 3702.9-1	Section 5C - Continuation of Personal Ins During a Leave of Absence and Temporary Layoff	GC 3702.9-1
G 3702.9-2	Section 5D - Continuation of Personal Ins During a Leave of Absence for Active Military Service	GC 3702.9-2
G 3702.10	Section 6 - Premium Payment (waiver premium)	GC 3702.10
G 3702.11	Section 7 - General Policy Provisions	GC 3702.11
G 3702.12	Section 7 - General Policy Provisions	GC 3702.12
G 3702.12/1	Section 7 - General Policy Provisions	GC 3702.12/1
G 3702.13	Section 7A - Claim Procedures [AR]	GC 3702.13
G 3702.13-1	Section 7A - Claim Procedures	GC 3702.13-1
G 3702.13-2	Section 7A - Claim Procedures	GC 3702.13-2
G 3702.14	Section 8 - Insuring Provisions	GC 3702.14
G 3702.14/1	Section 8 - Insuring Provisions	GC 3702.14/1

**ARKANSAS
FORMS LIST
GROUP DIRECT LUMP SUM DISABILITY CONTRACT**

POLICY FORM NUMBER	DESCRIPTION	CERTIFICATE FORM NUMBER
G 3702.15	Section 9 - Exclusions	GC 3702.15
G 3702.15/1	Section 9 - Exclusions	GC 3702.15/1
G 3702.16	Section 9 - Exclusions	GC 3702.16
G 3702.17	Section 10 - Limitations	GC 3702.17
G 3702.18(04)	Section 11 - Continuity Of Coverage	GC 3702.18(04)
G 3702.18/1	Section 11 - Continuity Of Coverage	GC 3702.18/1
G 3702.19	Section 12 - Portability Privilege	GC 3702.19

January 8, 2013

Jay Bradford, Commissioner
Department of Insurance
State of Arkansas
1200 West Third Street
Little Rock, AR 72201-1904

Re: Filing of Group Lump Sum Disability Insurance Forms
American United Life Insurance Company - NAIC #60895
Policy G 3702 and Certificate GC 3702(04)
(See attached list for policy and certificate form numbers.)

Dear Commissioner Bradford:

Attached for approval are the above-referenced disability forms completed in "John Doe" fashion. These forms are new and do not replace any existing forms on file with your Department. This policy and certificate will be used with Application G-20355 approved by your Department on October 9, 2007 under SERFF Tracking No. AULD-125296677.

This Lump Sum Disability product provides a disability benefit to an insured employee in the form of one lump sum payment if he is found to be permanently and totally disabled before the end of the Benefit Eligibility Period. This product will not be marketed as an income replacement product, but is intended to be used in conjunction with, and as a supplement to, our traditional LTD and STD products thus providing an insured employee who is permanently and totally disabled with a one time payment to allow them to pay for such items as home renovations or to purchase or customize a vehicle to accommodate their disability. Because this benefit is intended to help provide for additional financial needs incurred by insured employees when they suffer severe disabilities, this benefit will not be integrated with other income benefits.

This product will be marketed to eligible groups through agents and brokers. Policies issued to eligible groups will be based upon the benefits chosen on the Application for Group Insurance. Highlights of this product include:

- 1) no benefit offsets;
- 2) Guaranteed Increase in Benefit option;
- 3) Life Event Benefit option;
- 4) reduced benefit payment should insured die before becoming Permanently and Totally Disabled; and
- 5) Portability Privilege.

Variable language has been marked with brackets which generally indicate optional benefits or provisions. If the language is changed, it will never be less favorable than your state's laws allow. American United Life also reserves the right to change the color, font, sequential order and layout of the enclosed forms.

Please acknowledge the approval and receipt of these forms via SERFF.

Should you have any questions concerning this filing, please feel free to call me at 1-877-285-7660, ext. 1943 or e-mail me at productcompliance.corporatecompliance@oneamerica.com. Thank you for your assistance with this filing.

Sincerely,

Catherine S. Strong

Catherine S. Strong
Sr. Contract Analyst
Corporate Contracts and Compliance

**AMERICAN UNITED LIFE INSURANCE COMPANY®
INDIANAPOLIS, INDIANA 46206-0368**

Certifies that it has issued and delivered a policy to:

[ABC Company]

(Hereinafter called the Policyholder)

[Insured: *John Doe*

Original Effective Date:

Certificate Number: *1234567890*

Change Effective Date

Coverage for Dependents: **Not Included**

Member: mm/dd/yyyy

Group: mm/dd/yyyy

Policyholder Number: *G 12345678-0000-000*]

This certificate replaces any and all certificates previously issued to the insured Person under the policy indicated above.

American United Life Insurance Company® (AUL) certifies that the Person whose name appears on this certificate and for whom the required premium has been paid is insured under the policy named above. Benefits as described in this certificate are subject to change.

This certificate describes the coverage provided in the policy. The policy determines all rights and benefits in this certificate and may be amended, cancelled, or discontinued at any time by agreement between AUL and the Policyholder, without notice to the Person. Certificates issued in Arkansas will be governed by the state of Arkansas. The policy may be examined at the main office of AUL during regular office hours.



[Thomas M. Zurek
Secretary]



[Dayton H. Molendorp
President and
Chief Executive Officer]

**CERTIFICATE OF INSURANCE
LUMP SUM DISABILITY INSURANCE**

**AMERICAN UNITED LIFE INSURANCE COMPANY®
INDIANAPOLIS, INDIANA 46206-0368**

Certifies that it has issued and delivered a policy to:

[ABC Company]

(Hereinafter called the Policyholder)

[Policy Number: *G 12345678-0000-000*
Class: 01

Change Effective Date: mm/dd/yyyy

This certificate replaces any and all certificates previously issued to the insured Person under the policy indicated above.

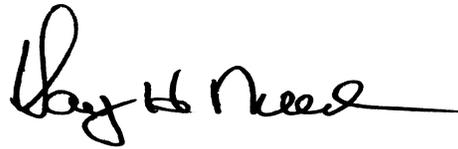
American United Life Insurance Company® (AUL) certifies that the Person whose enrollment form is on file with the Policyholder or AUL as being eligible for insurance and for whom the required premium has been paid is insured under the above numbered policy for group insurance benefits as designated in the Schedule of Benefits. Benefits as described in this certificate are subject to change.

This certificate describes the coverage provided in the policy. The policy determines all rights and benefits in this certificate and may be amended, cancelled, or discontinued at any time by agreement between AUL and the Policyholder without notice to the Person. Certificates issued in Arkansas will be governed by the state of Arkansas.

The policy may be examined at the main office of AUL during regular office hours.



[Thomas M. Zurek
Secretary]



[Dayton H. Molendorp
President and
Chief Executive Officer]

**CERTIFICATE OF INSURANCE
LUMP SUM DISABILITY INSURANCE**

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SECTION 1 - SCHEDULE OF BENEFITS

[ELIGIBLE CLASS	[Full Time Participants.]
CLASS NUMBER	[001]
[Option	[01]]
REQUIREMENT FOR FULL TIME PARTICIPANTS	[[30] hours or more [per week][bi-weekly][per month][per quarter][semi-annually][annually]. See Section 3.]
	<i>OR</i>
	[[1-365 days][1-52 Weeks] or more per year. See Section 3.]
	<i>OR</i>
	[[1-365 days][1-52 Weeks] or more per year averaged over [2-52 weeks][2-365 days]. See Section 3.]
	<i>OR</i>
	[[30] hours or more [per week][bi-weekly][per month][per quarter][semi-annually][annually] averaged over [2-52 weeks][2-365 days]. See Section 3.]
BENEFIT ELIGIBILITY PERIOD	[First day following the end of the Elimination Period] [[180-1,080 days][26-156 weeks][6-36 months][1-3 years] following the Elimination Period.] See Section 2.
CHANGES IN INSURANCE	[Immediately following the Waiting Period.][First day of the Coverage Month following the Initial Enrollment Period.][Policyholder's Anniversary Date following the Initial Enrollment Period.][First day of the Coverage Month following the Scheduled Enrollment Period.] See Section 3.
CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY AND MEDICAL LEAVE ACT (FMLA)	This provision is [not] included for this class. See Section 5B.
CONTINUATION OF PERSONAL INSURANCE DURING A [LEAVE OF ABSENCE] [AND] [TEMPORARY LAYOFF]	This provision is [not] included for this class. See Section 5C.
CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE	This provision is [not] included for this class. See Section 5D.
CONTINUITY OF COVERAGE	This benefit is [not] included for this class. See Section 11.
ELIMINATION PERIOD (EP)	[30-720 days][4-104 weeks][1-48 months][1-2 years]. See Section 2.
Accumulation of EP	[60-1,440 days][8-208 weeks][2-96 months][2-4 years]. See Section 8

SECTION 1 - SCHEDULE OF BENEFITS

GUARANTEED ISSUE AMOUNT (GIA)	[\$0, \$1,000, \$5,000, \$6,000, \$7,000 - \$1,000,000]
GUARANTEED ISSUE AMOUNT (GIA) FOR A LATE ENROLLEE	[\$0, \$1,000, \$2,000, \$3,000 - \$250,000]
GUARANTEED INCREASE IN BENEFIT (GIB) [GIB Amount]	This benefit is [not] included for this class. See Section 4. [\$1,000, \$2,000, \$3,000 - \$250,000]
INDIVIDUAL EFFECTIVE DATE Initial Participants	Policyholder's Effective Date if the Participant has satisfied his Waiting Period on or before said date, otherwise [immediately following the Waiting Period][the first day of the Coverage Month following the Initial Enrollment Period][the Policyholder's Anniversary Date following the Initial Enrollment Period][the First day of the Coverage Month following the Scheduled Enrollment Period]. See Section 3
New Participants	[Immediately following the Waiting Period.][First day of the Coverage Month following the Initial Enrollment Period.][Policyholder's Anniversary Date following the Initial Enrollment Period.][First day of the Coverage Month following the Scheduled Enrollment Period.] See Section 3.
INDIVIDUAL REINSTATEMENT	This provision is [not] included for this class. Application must be made within [30][60][90][120][180][360][365] days from termination date. Effective [immediately][first day of the Coverage Month]. See Section 5A.
[INITIAL ENROLLMENT PERIOD Initial Participants New Participants	Between [MM/DD/YYYY and MM/DD/YYYY.] [[[30] Days following the Participant's Eligibility Date.][The Scheduled Enrollment Period beginning on the Participant's Eligibility Date.] See Section 3.]
[LIFE EVENT BENEFIT (LEB) [Life Event Benefit Amount]	This benefit is [not] included for this class. See Section 4.] [\$1,000, \$2,000, \$3,000 - \$250,000]
[LIMITATIONS [Drug and Alcohol Abuse Limitation [Mental Illness Limitation [Special Conditions Limitation]	[10%-90%] of the Lump Sum Disability Amount. See Section 10.] [10%-90%] of the Lump Sum Disability Amount. See Section 10.] [10%-90%] of the Lump Sum Disability Amount. See Section 10.]

SECTION 1 - SCHEDULE OF BENEFITS

LUMP SUM DISABILITY BENEFIT AMOUNT

[Flat Amount: [\$1,000, \$2,000, \$3,000 - \$1,000,000].]

OR [incremental options as selected by the Policyholder and agreed to by AUL.]

[The Lump Sum Disability Amount is a flat amount available in [\$1,000] increments. The minimum Lump Sum Disability Amount is [\$1,000]. The maximum Lump Sum Disability Amount is [\$1,000,000].]

OR [Benefit Amounts as selected by the Policyholder and agreed to by AUL.]

[Benefit Amount 1]	[Benefit Amount 2]	[Benefit Amount 3]
[\$1,000]	[\$5,000]	[\$15,000]
[Benefit Amount 4]	[Benefit Amount 5]	[Benefit Amount 6]
[\$30,000]	[\$50,000]	[\$60,000]
[Benefit Amount 7]	[Benefit Amount 8]	[Benefit Amount 9]
[\$70,000]	[\$80,000]	[\$90,000]
[Benefit Amount 10]		
[\$100,000]		

See Section 8.

MAXIMUM LUMP SUM DISABILITY BENEFIT AMOUNT

[\$1,000, \$2,000, \$3,000 - \$1,000,000]

PARTICIPANT PREMIUM CONTRIBUTIONS

[Non-contributory][Contributory]. See Section 3.

POLICY MONTH

A period that begins on the [first] day of the month and ends on the [last] day of the month.

[PORTABILITY PRIVILEGE

This privilege is [not] included for this class. See Section 12.]

[PRE-EXISTING CONDITION EXCLUSION

Duration

[30/5][5 day][3/12][6/12][6/24][12/12][12/24]
[3/3/12][3/6/12][6/6/12][12/6/12][6/6/24][6/12/24][12/6/24][12/12/24]
See Section 9.]

RECURRENT RETURN TO WORK PERIOD

[[30][60][90][120] days]. See Section 8.

SECTION 1 - SCHEDULE OF BENEFITS

[[REDUCTIONS: Upon attainment of the age [65], the Lump Sum Disability Benefit Amount will reduce [by][to] [50%]. [Upon attainment of the age [70], the Lump Sum Disability Benefit Amount will reduce [by][to] [70%] of the [original][reduced] amount. Upon attainment of the age [80], the Lump Sum Disability Benefit Amount will reduce [by][to] [90%] of the [original][reduced] amount.]]

OR

[[REDUCTIONS: Upon attainment of the age [65], the Lump Sum Disability Benefit Amount will reduce [by][to] [\$10,000]. Upon attainment of the age [70], the Lump Sum Disability Benefit Amount will reduce [by][to] [\$5,000] of the [original][reduced] amount. Upon attainment of the age [80], the Lump Sum Disability Benefit Amount will reduce [by][to] [\$1,000].]

OR

[[REDUCTIONS: The Lump Sum Disability Benefit Amount will begin reducing to percentages shown below when the Participant reaches age [65, 70, 75, 80, 85]. The percentage of coverage remaining once the Participant attains various ages will be as follows:

[STANDARD REDUCTION STARTING AT AGE 65

PARTICIPANT'S AGE	REDUCED BENEFIT PERCENTAGE
[65]	[70%]
[70]	[45%]
[75]	[30%]
[80]	[25%]
[85]	[20%]
[90]	[15%]]

OR

[STANDARD REDUCTION STARTING AT AGE 60

PARTICIPANT'S AGE	REDUCED BENEFIT PERCENTAGE
[60]	[70%]
[65]	[50%]
[70]	[30%]
[75]	[20%]
[80]	[15%]]

OR

[[REDUCTIONS: Benefits do not reduce based on age.]]

SECTION 1 - SCHEDULE OF BENEFITS

SCHEDULED ENROLLMENT PERIOD	[[90] days prior to the Policyholder's Anniversary Date.]
WAITING PERIOD	
Initial Participants	[0-360] [days, months, years]
New Participants	[0-360] [days, months, years] See Section 2.
[WAIVER OF PREMIUM	This benefit is [not] included for this class. See Section 6.]

SECTION 2 – DEFINITIONS

ACTIVE WORK and **ACTIVELY AT WORK** means the regular and full-time use of time and energy in the services of the Person's [Regular Occupation][Regular Job]. The Person must be physically and mentally capable of performing each of the Material and Substantial Duties of his [Regular Occupation][Regular Job] on a regular full-time basis.

This includes time off for vacation, jury duty, paid holidays, and funeral leave, where the Person could have been Actively At Work on that day.

Active Work does not include periods of time when a Participant is not Actively At Work following an Injury, Sickness, strike, lock-out, layoff, after a Participant's employment has ended voluntarily or involuntarily, or periods of time the terminated Participant receives accrued vacation pay or other employment related benefits after his employment termination date.

BENEFIT ELIGIBILITY PERIOD means the period of [consecutive] [days][weeks][months][years] the Person is Disabled commencing the first day following the Elimination Period and continuing for the number of months identified in the Schedule of Benefits.

COSMETIC SURGERY means surgery that is performed to change the texture, shape, or structure of any part of the human body for the purpose of beautifying or creating a different visual appearance.

CONTRIBUTORY INSURANCE means insurance for which the Person pays part or all of the premium.

COVERAGE MONTH means that period of time beginning on the Person's Individual Effective Date, and continuing from the first day and ending on the last day of each succeeding Policy Month.

DATE OF HIRE means the first day the Participant is Actively At Work in an eligible class of the Policyholder.

DATE OF DISABILITY means the first date the Person is Disabled.

DISABILITY and **DISABLED** means that, due to Sickness or Injury, a Person during the Elimination Period and/or Benefit Eligibility Period:

- 1) is unable to perform one or more of the Material and Substantial Duties of his [Regular Occupation][Regular Job][any occupation] on a full-time basis; [and][or
- 2) is performing at least one of the Material and Substantial Duties of his [Regular Occupation][Regular Job] or another occupation on a part time basis and is working for the Policyholder less than 80% of his regular hours, that does not include overtime pay, during the six weeks prior to the Person's Date of Disability; and]
- 3) is under the Regular Attendance of a Physician for that Sickness or Injury.

DUE DATE means the first day of the Coverage Month for which the premium is payable.

SECTION 2 – DEFINITIONS

ELIGIBILITY DATE means the date that a Participant, in an eligible class as stated in the Schedule of Benefits, has satisfied his Waiting Period and AUL determines is eligible for Personal Insurance under the policy.

ELIMINATION PERIOD means a period of [consecutive] [days][weeks][months][years] the Person is Disabled beginning on the Date of Disability.

EMPLOYER means the entity or organization for which the Person performs services and which has the right to control what will be done and how it will be done. An Employer has the right to control the details of how the services are performed by the Person. The Person must not be considered an independent contractor or agent unless classified by the IRS as a statutory employee of the Employer. The Employer is the entity or organization for which the Person performs his [Regular Occupation][Regular Job], and is required to withhold and pay income, social security, and Medicare taxes on wages.

EMPLOYER'S RETIREMENT PLAN means any defined benefit or defined contribution plan that is sponsored by the Employer.

EVIDENCE OF INSURABILITY means a statement or proof of a Person's medical history, upon which acceptance for insurance will be determined by AUL.

FRANCHISE COVERAGE means disability insurance coverage which allows Participants to be insured as part of their relationship with the Policyholder but such coverage is not part of an employee welfare benefit plan and the Participants are insured under individual policies.

[**GUARANTEED INCREASE IN BENEFIT (GIB)** means an additional amount of coverage that may be available to a Person once a year if certain specified conditions are met.]

GUARANTEED ISSUE AMOUNT (GIA) means the amount of coverage that does not require Evidence of Insurability. This amount is stated in the Schedule of Benefits.

INDIVIDUAL REINSTATEMENT means that Personal Insurance that has been terminated due to cessation of Active Work may be reinstated in accordance with Section 5A of the policy.

INJURY means a sudden, unforeseen and unexpected event that occurs independently of all other causes and causes physical harm to the Person. This includes all other conditions related to the same Injury.

[**LIFE EVENT BENEFIT (LEB)** means an increase or decrease in coverage resulting from specific events occurring in a Person's life.]

LUMP SUM DISABILITY BENEFIT means the benefit amount payable to a Person who is Permanently and Totally Disabled, according to the provisions of the policy as approved by AUL and stated in the Schedule of Benefits.

MALE PRONOUN whenever used includes the female.

MATERIAL AND SUBSTANTIAL DUTIES means duties that:

- 1) are normally required for the performance of an occupation; and
- 2) cannot be reasonably omitted or modified.

SECTION 2 – DEFINITIONS

MENTAL ILLNESS means a psychiatric or psychological condition classified in the *Diagnostic and Statistical Manual of Mental Health Disorders (DSM)*, published by the American Psychiatric Association, most current as of the start of a Disability. Such disorders include, but are not limited to, psychotic, emotional or behavioral disorders, or disorders related to stress or to substance abuse or dependency. If the *DSM* is discontinued or replaced, these disorders will be those classified in the diagnostic manual then used by the American Psychiatric Association as of the start of a Disability.

NON-CONTRIBUTORY INSURANCE means insurance for which the Person pays none of the premium.

PARTICIPANT means any individual who is a full-time employee, shareholder, owner, proprietor, partner, member, or corporate officer of the Policyholder:

- 1) whose employment with the Policyholder constitutes his principal occupation;
- 2) who works at that occupation a minimum number of hours as stated in the Schedule of Benefits;
- 3) who is working at the Policyholder's regular place of business which may include an alternative worksite if approved by the Policyholder and AUL;
- 4) who is not a part-time, temporary or seasonal Participant or worker;
- 5) who is authorized to work in the United States under applicable state and federal laws; and
- 6) if approved by AUL:
 - a) who legally works and resides in Canada;
 - b) who legally works in the United States and resides in Canada; or
 - c) who legally works in Canada and resides in the United States.

PERMANENT and TOTAL DISABILITY and PERMANENTLY and TOTALLY DISABLED means that, due to Sickness or Injury, a Person is:

- 1) expected to be unable to perform the Material and Substantial Duties of [his Regular Occupation][his Regular Job][any occupation] for which he is reasonably fitted by training, education or experience on a full-time basis for a continuous period of not less than [24] months;
- 2) not working;
- 3) not engaged in any activity for profit, such as a business or investment activity;
- 4) not receiving income or revenue from an activity which is a hobby; and
- 5) under the Regular Attendance of a Physician for that Sickness or Injury.

If the Person's [Regular Occupation][Regular Job] requires a license, loss of this license for any reason does not in itself constitute Permanent and Total Disability.]

PERSON means a Participant who has met the requirements of the ELIGIBILITY, ENROLLMENT AND INDIVIDUAL EFFECTIVE DATE section of the policy.

PERSONAL INSURANCE means the coverage provided under the policy for a Person.

PHYSICIAN means a qualified, state licensed doctor of medicine or osteopathy, and any other licensed health care provider that state law requires to be recognized as a Physician, practicing within the scope of his license and applicable law. Physician does not include a Physician employed by the Policyholder, a Person or anyone related to a Person by blood or marriage .

SECTION 2 – DEFINITIONS

POLICYHOLDER means any sole proprietorship, partnership, member, corporation, limited liability company, limited liability partnership, firm, school district, individual school, union, association, organization, or instrumentality of a state or political subdivision thereof, that has been approved by AUL and to whom the policy is issued. An entity that is subsidiary to or affiliated with the Policyholder as defined below is eligible for coverage under the policy if it is shown on the Application or later added by amendment to the policy.

A subsidiary may be included in this definition when the Policyholder owns more than 50% of the voting stock of the entity.

An affiliate may be included in this definition when the entity is under common control with the Policyholder through 51% or more ownership and control.

The Policyholder is liable for all premiums due for subsidiaries and affiliates during any period of time a subsidiary and/or affiliate is insured under the policy. Any notice given to the Policyholder by AUL shall be considered notice given to the subsidiary and/or affiliate.

POLICYHOLDER'S EFFECTIVE DATE means the date on which coverage is actually effective for the Policyholder under the policy as determined by AUL.

POLICYHOLDER'S ANNIVERSARY DATE means [March 1st] of each year.

PRE-EXISTING CONDITION means any condition for which a Person [or for which an ordinarily prudent Person] did or would have done any of the following at any time during the [30 days][[3][6][12] months] immediately prior to a Person's Individual Effective Date of Insurance, whether or not that condition was diagnosed at all or was misdiagnosed:

- 1) received medical treatment or consultation;
- 2) taken or were prescribed drugs or medicine; or
- 3) received care or services including diagnostic measures.

PRIOR PLAN means the Policyholder's plan of lump sum disability insurance or benefit plan having similar features to Lump Sum Disability that terminated on the day immediately before the Policyholder's Effective Date of coverage under the policy.

[REGULAR ATTENDANCE means that a Person:

- 1) personally meets with or visits a Physician as medically required according to standard medical practice, to effectively manage and treat his Disability;
- 2) is receiving the most appropriate treatment and care that will maximize his medical improvement and aid in his return to work; and
- 3) is receiving care by a Physician whose specialty or clinical experience is appropriate for the Disability.]

[REGULAR JOB means the job a Person was performing for the Policyholder immediately prior to the Date of Disability.]

SECTION 2 – DEFINITIONS

[REGULAR OCCUPATION means a Person's occupation as it is recognized in the general workplace and according to industry standards. The Person's time, energy and services must be performed at his [Employer's][Policyholder's] regular place of employment, or an alternative worksite approved by AUL. For Actively at Work requirements, a Person's alternative worksite may not be located outside of the United States or Canada for more than 6 months in any 12-month period. A Person's occupation does not mean the specific job tasks he does for a [Policyholder][Employer] or at a specific location. For example, an attorney's Regular Occupation means the practice of law as defined under applicable laws versus a specialized area within the practice of law.]

SICKNESS means illness, bodily disorder or disease, Mental Illness, normal pregnancy and complications of pregnancy. Complications of pregnancy are defined as concurrent disease or abnormal conditions significantly effecting the usual medical management of pregnancy.

SPOUSE means an individual to whom the Person is married.

However, for purposes of insurance under the policy, Spouse does not include an individual from whom the Person is divorced.

SURVIVOR means a relative entitled to inherit under intestate succession laws , in the following order: a Person's Spouse, child(ren), grandchildren, great grandchildren, parent(s), siblings, nieces and nephews, grandparents, aunts and uncles.

[TREATMENT FREE means the Person has not received medical treatment, consultation, care or services including diagnostic measures, and the Person has not taken or been prescribed drugs or medicines for the Pre-existing Condition.]

[WAITING PERIOD means the period of days, starting on the Date Of Hire, that a Participant must be continuously Actively at Work while in an eligible class. Initial Participants will be given credit for time served under the Policyholder's prior carrier if the policy replaced the same type of coverage he had with the prior carrier. [Part time employees will receive credit for the number of continuous days worked for the Policyholder immediately prior to being hired as a full time Participant.] The Waiting Period is stated in the Schedule of Benefits.]

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

INITIAL PARTICIPANT means a Participant who is employed by the Policyholder before the Policyholder's Effective Date.

NEW PARTICIPANT means a Participant who is employed by the Policyholder on or after the Policyholder's Effective Date.

ELIGIBILITY DATE: A Participant who is in an eligible class as stated in the Schedule of Benefits and has satisfied his Waiting Period, becomes eligible for Personal Insurance under the policy on:

- 1) *Initial Participant*:
 - a) the Policyholder's original Effective Date of coverage under the policy; [or]
 - b) [the day immediately following completion of the Waiting Period]; or]
 - c) [the first day of the Coverage Month immediately following completion of the Waiting Period].
- 2) *New Participant*]:
 - a) [the day immediately following completion of the Waiting Period]; or]
 - b) [the first day of the Coverage Month immediately following completion of the Waiting Period]].

INDIVIDUAL EFFECTIVE DATE OF INSURANCE: This means the date a Participant's Personal Insurance first becomes effective under the policy. This date only applies to the Lump Sum Disability Benefit Amount less than or equal to the Guaranteed Issue Amount shown in the Schedule of Benefits for the Person's class.

If a Participant is not Actively At Work on the date insurance would otherwise become effective, the Individual Effective Date of Insurance cannot begin until the date the Participant returns to full-time Active Work for the Policyholder.

AMOUNTS IN EXCESS OF THE GUARANTEED ISSUE AMOUNT: Any portion of the Lump Sum Disability Benefit Amount that exceeds the Guaranteed Issue Amount will require Evidence of Insurability satisfactory and without expense to AUL. If the excess portion is approved, the effective date for that portion will be named by AUL. If the excess portion is not approved by AUL, the Lump Sum Disability Benefit Amount will be an amount equal to the Guaranteed Issue Amount.

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

INITIAL PARTICIPANT means a Participant who is employed by the Policyholder before the Policyholder's Effective Date.

NEW PARTICIPANT means a Participant who is employed by the Policyholder on or after the Policyholder's Effective Date.

LATE ENROLLEE: A Late Enrollee is an Initial or New Participant who is Actively At Work, but does not request coverage during his Initial Enrollment Period. [Enrollment for Late Enrollees can only occur annually during the Scheduled Enrollment Period.] [If a Late Enrollee was previously declined coverage by AUL for medical reasons, he will not be eligible for the Guaranteed Issue Amount for Late Enrollees and he will be required to submit satisfactory Evidence of Insurability, without expense to AUL.]

ELIGIBILITY DATE: A Participant who is in an eligible class as stated in the Schedule of Benefits and has satisfied his Waiting Period, becomes eligible for Personal Insurance under the policy on:

- 1) *Initial Participant:*
 - a) the Policyholder's original Effective Date of coverage under the policy; [or]
 - b) [the day immediately following completion of the Waiting Period]; [or]
 - c) [the first day of the Coverage Month immediately following the Waiting Period]; [or]
 - d) [the Policyholder's Anniversary Date following the Initial Enrollment Period]; [or]
 - e) [the first day of the Coverage Month following the next Scheduled Enrollment Period].
- 2) *New Participant:*
 - a) the day immediately following completion of the Waiting Period; [or]
 - b) [the first day of the Coverage Month immediately following the Waiting Period]; [or]
 - c) [the Policyholder's Anniversary Date following the Initial Enrollment Period]; [or]
 - d) [the first day of the Coverage Month following the next Scheduled Enrollment Period].
- 3) *Late Enrollee:*
 - a) [the Policyholder's Anniversary Date following the next Scheduled Enrollment Period]; [or]
 - b) [the first day of the Coverage Month following the next Scheduled Enrollment Period]].

[ENROLLMENT: To be considered for coverage, an eligible Participant must apply correctly and truthfully for Personal Insurance under the policy. Eligible Participants applying for Personal Insurance must complete and sign a written request for coverage on an enrollment form approved by AUL and pay the required premiums before coverage will become effective. This form will be given to and maintained by the Policyholder. Coverage may only be requested during an Initial or Scheduled Enrollment Period, as follows:]

- 1) INITIAL ENROLLMENT PERIOD: The Initial Enrollment Period is the time during which an eligible Participant who is Actively At Work may first apply for coverage following completion of the Waiting Period without providing Evidence Of Insurability. An eligible Participant may waive coverage or request coverage under any option offered by the Policyholder for his class. The Initial Enrollment Period includes the following periods, during which a Participant may make his initial written application for coverage under the policy:
 - a) *Initial Participant:* the Initial Enrollment Period, which is the period of time agreed to by AUL and the Policyholder and is stated in the Schedule of Benefits.
 - b) *New Participant:* the Initial Enrollment Period, which is shown on the Schedule of Benefits as either:
 - i) the period that begins on the Eligibility Date and continues through the number of days as shown on the Schedule of Benefits; or
 - ii) the Scheduled Enrollment Period beginning on the Eligibility Date.]

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

- 2) **SCHEDULED ENROLLMENT PERIOD:** This is a recurrent period of days, as stated in the Schedule of Benefits, after the Policyholder's original Effective Date, during which:
- a) a New Participant [or eligible Late Enrollee] may apply in writing, on an AUL approved enrollment form, for coverage under the policy[.]; or][
 - b) a Person may change from one Lump Sum Disability Benefit option to another Lump Sum Disability Benefit option under the policy, with satisfactory Evidence of Insurability[.]; or][
 - c) an eligible Person may increase their Lump Sum Disability Benefit Amount by the Guaranteed Increase In Benefit Amount as stated in the Schedule of Benefits without Evidence of Insurability. See Section 4[.]; or][
 - d) an eligible Person may increase their Lump Sum Disability Benefit Amount to an amount in excess of the Guaranteed Increase In Benefit Amount as stated in the Schedule of Benefits with satisfactory Evidence of Insurability. See Section 4[.]; or][
 - e) an eligible Late Enrollee may apply in writing for a Lump Sum Disability Benefit Amount in excess of the Guaranteed Issue Amount for Late Enrollees as stated in the Schedule of Benefits with satisfactory Evidence of Insurability. See Section 4.]

The Scheduled Enrollment Period is chosen by the Policyholder and must be approved by AUL.][

- 3) **DELAYED ENROLLMENT PERIOD:** An eligible Initial or New Participant who is not Actively At Work during his Initial Enrollment Period may apply for Personal Insurance without providing Evidence of Insurability. He may do this if:
- a) he has returned to full-time Active Work;
 - b) he is in an eligible class as stated in the Schedule of Benefits;
 - c) his Waiting Period was completed prior to his cessation of Active Work; and
 - d) he applies within 31 days of the day he returns to Active Work.]]

EVIDENCE OF INSURABILITY: Evidence of Insurability is required if:

- 1) the Participant applies for Lump Sum Disability Insurance in excess of the Guaranteed Issue Amount as stated in the Schedule of Benefits;[
- 2) the Late Enrollee applies for Lump Sum Disability Insurance;][
- 3) the Late Enrollee applies for Lump Sum Disability Insurance in excess of the Guaranteed Issue Amount for Late Enrollees as stated in the Schedule of Benefits;][
- 4) the Person applies for Lump Sum Disability Insurance in excess of the Guaranteed Increase In Benefit Amount as stated in the Schedule of Benefits;] or
- 5) the Participant applies for Lump Sum Disability Insurance after termination of insurance due to failure to pay the required amount of premium timely.

Any amount of insurance for which the Participant or Person requests greater than the Guaranteed Issue Amount will only be available following written approval by AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If insurance for amounts greater than the Guaranteed Issue Amount is approved, coverage will begin on the date identified in writing by AUL. If an amount greater than the Guaranteed Issue Amount is not approved by AUL, the Lump Sum Disability Benefit Amount will be equal to the Guaranteed Issue Amount and will be effective as set forth in the Individual Effective Date of Insurance provision of the policy.

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

INDIVIDUAL EFFECTIVE DATE OF INSURANCE

Initial Participant:

- 1) The Individual Effective Date of Insurance for an eligible Initial Participant who has satisfied his Waiting Period prior to the Policyholder's Effective Date is the Policyholder's original Effective Date under the policy as long as an Initial Participant:
 - a) requested coverage during the Initial Enrollment Period; and
 - b) is Actively At Work for the Policyholder on that date.
- 2) The Individual Effective Date of Insurance for an eligible Initial Participant who has not satisfied his Waiting Period prior to the Policyholder's Effective Date is:
 - a) *[Immediately following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is the date of the request as long as the New Participant:
 - i) requested coverage during the Initial Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]
 - b) *[First day of the Coverage Month following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is [the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month][the first day of the next Coverage Month following the Participant's Date of Hire] as long as the New Participant:
 - i) requested coverage during the Initial Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]
 - c) *[Policyholder's Anniversary Date following the Initial Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the Policyholder's Anniversary Date following the Initial Enrollment Period as long as the New Participant:
 - i) requested coverage during the Initial Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]
 - d) *[First day of the Coverage Month following the Scheduled Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the first day of the Coverage Month following the Scheduled Enrollment Period as long as the New Participant:
 - i) requested coverage during the Scheduled Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

New Participant:

The Individual Effective Date of Insurance for an eligible New Participant depends on the Policyholder's selection on the Application, as described below:

- 1) *[Immediately following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is the date of the request as long as the New Participant:
 - a) requested coverage during the Initial Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]
- 2) *[First day of the Coverage Month following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is [the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month][the first day of the next Coverage Month following the Participant's Date of Hire] as long as the New Participant:
 - a) requested coverage during the Initial Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]
- 3) *[Policyholder's Anniversary Date following the Initial Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the Policyholder's Anniversary Date following the Initial Enrollment Period as long as the New Participant:
 - a) requested coverage during the Initial Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]
- 4) *[First day of the Coverage Month following the Scheduled Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the first day of the Coverage Month following the Scheduled Enrollment Period as long as the New Participant:
 - a) requested coverage during the Scheduled Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]]

[Late Enrollee: The Guaranteed Issue Amount for a Late Enrollee is stated in the Schedule of Benefits. The Individual Effective Date of Insurance for an eligible Late Enrollee is the Policyholder's Anniversary Date following the date of the Late Enrollee request as long as the Late Enrollee:

- 1) requested coverage during the Scheduled Enrollment Period;
- 2) has completed the Waiting Period for New Participants; and
- 3) is Actively At Work on the Individual Effective Date of Insurance.

SECTION 4 - CHANGES IN INSURANCE

[EFFECTIVE DATE OF CHANGE (Immediate & GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction; or
- 2) the date of AUL's written approval of the change.

Prior to a change in coverage that increases coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium must be paid.

A change increasing the amount of coverage equal to or less than the GIB offer takes effect the date the Person becomes eligible for the change in coverage.

A change in coverage increasing the amount of coverage exceeding the Person's GIB offer takes effect the date the Person becomes eligible for the change in coverage and is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the approved change date, any change in the amount of coverage takes effect on the date the Person returns to Active Work.]

[EFFECTIVE DATE OF CHANGE (first of the Coverage Month & GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the first day of the Coverage Month following any scheduled reduction;
- 2) the first day of the Coverage Month following AUL's written approval of the change, if the date is the first day of the Coverage Month; or
- 3) the first day of the next Coverage Month following AUL's written approval of the change, if the date is after the first day of the Coverage Month.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium must be paid.

A change increasing the amount of coverage equal to or less than the GIB offer takes effect on:

- 1) the first day of the Coverage Month; if the Person becomes eligible for the change on the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the date the Person becomes eligible for the change in coverage, if the date is after the first day of the Coverage Month.

A change in coverage increasing the amount of coverage above the Person's GIB offer is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the effective date of the approved increase, any increase in the amount of coverage takes effect on:

- 1) the first day of the Coverage Month if the Person returns to Active Work on the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work, if the date is after the first day of the Coverage Month.]

[If the change is an increase in the Lump Sum Disability Benefit Amount, the provision entitled Pre-Existing Condition Exclusion On An Increased Lump Sum Disability Benefit Amount, as shown in Section 9 - EXCLUSIONS, will apply to the increased amount.]

SECTION 4 - CHANGES IN INSURANCE

[EFFECTIVE DATE OF CHANGE (anniversary & GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction;
- 2) the Policyholder's Anniversary Date following AUL's written approval of the change, if the date of AUL's approval is the Policyholder's Anniversary Date; or
- 3) the Policyholder's Anniversary Date next following AUL's written approval of the change, if the date of AUL's approval is after the Policyholder's Anniversary Date.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium be paid.

A change in coverage increasing the amount of coverage not exceeding the Person's GIB offer takes effect on:

- 1) the Policyholder's Anniversary Date, if the date is the Policyholder's Anniversary Date; or
- 2) the Policyholder's Anniversary Date next following the date the Person becomes eligible for the change in coverage, if the date is after the Policyholder's Anniversary Date.

A change in coverage increasing the amount of coverage exceeding the Person's GIB offer is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the Policyholder's Anniversary Date that is the approved change date, any increase in the amount of coverage takes effect on the date the Person returns to Active Work.]

[EFFECTIVE DATE CHANGE (anniversary & No GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction;
- 2) the Policyholder's Anniversary Date following AUL's written approval of the change, if the date of AUL's approval is the Policyholder's Anniversary Date; or
- 3) the Policyholder's Anniversary Date next following AUL's written approval of the change, if the date of AUL's approval is after the Policyholder's Anniversary Date.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium be paid.

If the Person is not Actively at Work on the Policyholder's Anniversary Date that is the approved change date, any increase in the amount of coverage takes effect on:

- 1) the date the Person returns to Active Work, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work.]

[If the change is an increase in the Lump Sum Disability Benefit Amount, the provision entitled Pre-Existing Condition Exclusion On An Increased Lump Sum Disability Benefit Amount, as shown in Section 9 - EXCLUSIONS, will apply to the increased amount.]

SECTION 4 - CHANGES IN INSURANCE

[EFFECTIVE DATE OF CHANGE (1st of Coverage Month & No GIB)

A change in coverage that does not increase the amount of coverage takes effect on:

- 1) the first day of the Coverage Month following any scheduled reduction;
- 2) the first day of the Coverage Month following AUL's written approval of the change, if the date is the first day of the Coverage Month; or
- 3) the first day of the next Coverage Month following AUL's written approval of the change, if the date is after the first day of the Coverage Month.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium be paid.

A change increasing the amount of coverage is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the approved change date, any change in the amount of coverage takes effect on:

- 1) the date the Person returns to Active Work, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work, if the date is after the first day of the Coverage Month.]

[EFFECTIVE DATE OF CHANGE (Immediate & No GIB)

A change in coverage that does not increase the amount of a Person's coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction; or
- 2) the date of AUL's written approval of the change.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for an Injury or Sickness)] must be Actively at Work and the required amount of premium be paid.

A change increasing the amount of coverage is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If a Person is not Actively at Work on the approved change date, any increase in the amount of coverage takes effect on the date the Person returns to Active Work.]

[If the change is an increase in the Lump Sum Disability Benefit Amount, the provision entitled Pre-Existing Condition Exclusion On An Increased Lump Sum Disability Benefit Amount, as shown in Section 9 - EXCLUSIONS, will apply to the increased amount.]

SECTION 4 - CHANGES IN INSURANCE

[CHANGING LUMP SUM DISABILITY OPTIONS: After the Initial Enrollment Period, a Person may increase his coverage to another option available to his class only during a Scheduled Enrollment Period. The request for a change in option and agreement to pay the required premium must be made in writing on a form approved by AUL, subject to the following:

- 1) an increase in coverage to the next higher option available to a Person's class will not require Evidence of Insurability;
- 2) requests to increase coverage to an option other than the next higher option will not be allowed; and
- 3) if a Person fails to apply for an increase in coverage during the Scheduled Enrollment Period, he will continue to be covered under his current option until the next Scheduled Enrollment Period.

If the Person is not Actively At Work on the Effective Date of Change, the Person becomes eligible for the change on the first day that the Person returns to Active Work.]

DECREASING THE LUMP SUM DISABILITY BENEFIT AMOUNT: A Person may decrease the amount of his coverage at any time. Any decrease in coverage will become effective [immediately][the first day of the Coverage Month] following the date of the request.

Any change in insurance, other than a decrease in the amount of coverage or an increase in coverage to the next higher option as stated above, will require satisfactory Evidence of Insurability.

If a change in options results in an increase in coverage, the provision entitled Pre-Existing Condition Exclusion For A Change In Options, shown in Section 9 - EXCLUSIONS, will apply.

SECTION 4 - CHANGES IN INSURANCE

[GUARANTEED INCREASE IN BENEFIT (GIB)]

The Person may apply for the GIB, which is an additional amount of coverage, at each AUL approved Scheduled Enrollment Period without satisfactory Evidence of Insurability, if all the following conditions are met:

- 1) the Person must be under age [60-90];
- 2) the Person must be Actively at Work on the effective date of the increase;
- 3) the amount of each increase will be limited to the GIB Amount stated in the Schedule of Benefits;
- 4) the amount of coverage after the increase is not greater than the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits;
- 5) the Person has not previously been declined for the GIB; [and]
- 6) the Person applying for a GIB whose total amount of coverage exceeds the Maximum Lump Sum Disability Benefit Amount will be limited to the Maximum Lump Sum Disability Benefit Amount[.]; and][
- 7) the Person will be limited to [six (6)] GIB increases during the lifetime of the policy.]

If reductions begin prior to age [60-90], the total amount of coverage following the GIB will be reduced according to the Reductions stated in the Schedule of Benefits.

If a Participant declines the Lump Sum Disability Insurance during the Initial Enrollment Period and wants to apply at a later Scheduled Enrollment date, receipt of any coverage will first require Evidence of Insurability and information satisfactory to AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If coverage is approved, coverage will begin on the date identified in writing by AUL. If the Participant is approved for coverage during the Scheduled Enrollment, he will be eligible to apply for the GIB at the next Scheduled Enrollment Period.

If coverage is declined following unsatisfactory Evidence of Insurability, no GIB will be available until Evidence of Insurability and information is received. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If the GIB request is approved, coverage will begin on the date identified and approved in writing by AUL.

[Automatic GIB provision for list billed groups only.]

Within thirty (30) days prior to the GIB offering, a Person may revocably elect to opt in to automatically receive the GIB by:

- 1) applying for the Lump Sum automatic opt in option on AUL's enrollment form during the Initial Enrollment Period;
or
- 2) submitting a request in writing to AUL indicating the Person's desire to automatically receive the GIB.

If a Person, after opting in to the GIB, elects at a later date to decline to automatically receive the GIB, he must submit notification of declination in writing to AUL thirty (30) days before the GIB would have taken effect.

The GIB will become effective on the Policyholder's Anniversary Date next following AUL's written approval of the GIB. All of the conditions to GIB included in this section will apply once the GIB becomes effective.]

SECTION 4 - CHANGES IN INSURANCE

[COVERAGE AMOUNTS REQUESTED IN EXCESS OF THE GUARANTEED INCREASE IN BENEFIT

During Scheduled Enrollment Periods, a Person may apply to increase an amount greater than the GIB, however, receipt of any amount above the GIB will first require Evidence of Insurability and information satisfactory to AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If coverage is approved, coverage will begin on the date identified and approved in writing by AUL.

If coverage for a Participant is declined following unsatisfactory Evidence of Insurability, no GIB will be available until Evidence of Insurability and information satisfactory to AUL is received. Until the GIB is approved, only the amount of coverage previously approved by AUL will be available.]

SECTION 4 - CHANGES IN INSURANCE

[LIFE EVENT BENEFIT (LEB)]

[A Person may request an additional amount of coverage] [or] [a Late Enrollee may request Lump Sum Disability Insurance coverage] without Evidence of Insurability, if all the following conditions are met:

- 1) The [Person] [or] [Late Enrollee] experienced one of the following Life Events:
 - a) marriage;
 - b) birth of a child;
 - c) adoption of a child or stepchild; or
 - d) permanent legal custody or guardianship of a child lasting more than [90] days;
- 2) AUL was notified within 31 days of the Life Event;
- 3) the [Person] [or] [Late Enrollee] must be under age [60-90];
- 4) the [Person] [or] [Late Enrollee] must be Actively at Work on the effective date of the increase;
- 5) The amount of the LEB increase is offered in the Schedule of Benefits.
- 6) the amount of coverage after the increase is not greater than the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits;
- 7) the [Person] [or] [Late Enrollee] has not previously been declined; and
- 8) the [Person] [or] [Late Enrollee] applying for a LEB amount that exceeds the Maximum Lump Sum Disability Benefit Amount, will be limited to the Maximum Lump Sum Disability Benefit Amount.

A [Person] [or] [Late Enrollee] may be eligible for a LEB for each Life Event when events are simultaneous. For simultaneous LEB events, the increased amount for each event will be based on the coverage amount prior to the LEB events and the amount of each increase will be equal. However, the amount of coverage after the increase will not be greater than the maximum amount of coverage available to the [Person] [or] [Late Enrollee].

The LEB will be reduced according to the Reductions as stated in the Schedule of Benefits. In no event will the total amount of coverage including any LEB exceed the Maximum Lump Sum Disability Benefit stated in the Schedule of Benefits.

If a Participant declines coverage during the Initial Enrollment Period and wants to apply at a later Scheduled Enrollment date, receipt of any coverage first requires Evidence of Insurability and information satisfactory to AUL unless the Participant has a qualifying Life Event. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If coverage is approved, coverage will begin on the date identified in writing by AUL. If the Participant is approved for coverage during the Scheduled Enrollment, he will be eligible to request the LEB when a Life Event occurs.

[If coverage for a Late Enrollee is declined following unsatisfactory Evidence of Insurability, no LEB will be available until Evidence of Insurability and information satisfactory to AUL is received. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If the LEB request is approved, coverage will begin on the date identified in writing by AUL.]

SECTION 5 - TERMINATIONS

INDIVIDUAL TERMINATION: A Person will cease to be insured on the EARLIEST of the following dates:

- 1) the date the policy or the Policyholder's coverage under the policy terminates;
- 2) the [date][end of the Coverage Month following the date] the Person is no longer in an eligible class;
- 3) the date the Person's class, as stated in the Schedule of Benefits, is no longer insured under the policy;
- 4) the last day of the period for which premiums were paid, if the premium is not paid when due;
- 5) the date the Person requests termination, but not prior to the date of the request;
- 6) the date the Lump Sum Disability Benefit is paid to the Person;
- 7) the date the Person dies;
- 8) the [end of the Coverage Month following the date][date] employment terminates. **Cessation of Active Work will be deemed termination of employment.** However, insurance will be continued for a Person:
 - a) during the Elimination Period, if the Person is Disabled, as described in the policy;
 - b) during the Benefit Eligibility Period, if the Person is Disabled, as described in the policy; and
 - c) [during any period that premiums are being waived under the Waiver of Premium provision[.]]; and
 - d) during any temporary Leave of Absence according to the appropriate Continuation of Personal Insurance benefit, if premiums continue to be paid during the leave and the benefit was elected by the Policyholder in the Application and approved by AUL[.]]; and
 - e) during any temporary layoff according to the appropriate Continuation of Personal Insurance benefit, if premiums continue to be paid during the layoff and the benefit was elected by the Policyholder in the Application and approved by AUL[.]]; and
- 9) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.]

TERMINATION OF THE POLICY: Insurance coverage under the policy will cease on the EARLIEST of the following dates:

- 1) the date the Policyholder no longer meets the definition of a Policyholder;
- 2) the date the Policyholder ceases active business operations, becomes insolvent, or is placed in bankruptcy or receivership;
- 3) the date the Policyholder ceases to exist by means of transfer of ownership, transfer of control, sale, dissolution, merger, consolidation, acquisition, or otherwise;
- 4) the date ending the Policy Month for which the last premium payment is made for the Policyholder's insurance;
- 5) at the end of a Policy Month, provided that AUL has given at least [31 days] days prior written notice to the Policyholder;
- 6) at the end of a Policy Month, if the Policyholder has given AUL at least [31 days] prior written notice;
- 7) the date the Policyholder fails to promptly furnish any information which AUL may reasonably require; or
- 8) the date the Policyholder, without good and sufficient cause, fails to perform in good faith its duties pertaining to the policy.

If a Person's insurance is terminated due to the termination of the policy, the Person's rights under the policy are terminated on the date the policy terminated.

Termination of the policy under any conditions will be without prejudice to AUL for any claim incurred prior to termination.

If the policy terminates, the Policyholder will be liable to AUL for all unpaid premiums for the period during which the coverage was in force.

SECTION 5A - INDIVIDUAL REINSTATEMENT

INDIVIDUAL REINSTATEMENT: If Personal Insurance terminates under the policy due to cessation of Active Work for the Policyholder, it may be reinstated subject to the terms of this provision. Individual Reinstatement must be requested during the [31-day] period immediately following return to Active Work for the Policyholder in accordance with the terms stated in this provision. Individual Reinstatement will be for the same coverage amount and eligible class that the Participant belonged to immediately prior to his termination. AUL may require Evidence of Insurability if reinstatement is requested for an amount or eligible class that differs from the coverage the Participant had with the Policyholder immediately prior to his cessation of Active Work. Reinstatement is subject to payment of required premiums and that the Policyholder is currently insured by AUL under the policy. In addition to these requirements, the following also applies:

- 1) If a Participant returns to Active Work within the period of consecutive calendar days as stated in the Schedule of Benefits under Individual Reinstatement from his individual termination date and requests Individual Reinstatement:
 - a) Personal Insurance will become effective immediately upon the date of request for Individual Reinstatement, or the first day of the Coverage Month immediately following the date of request for Individual Reinstatement, as stated in the Schedule of Benefits.
 - b) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class held by the Participant under the policy immediately prior to cessation of Active Work.
 - c) *[If the Schedule of Benefits states that the Participant must return to Active Work within [30, 60, 90, 120, 150, 180] days of termination:* Credit will be given towards satisfaction of the eligibility Waiting Period and of the Pre-Existing Condition exclusion or limitation period he previously served under the policy. However, any days accumulated during his period of lapse in coverage will not be credited. The original Individual Effective Date of Insurance will be used when applying the eligibility Waiting Period and the Pre-Existing Condition exclusion or limitation period.] or
 - d) *[If the Schedule of Benefits states that the Participant can return to Active Work for a period greater than [30, 60, 90, 120, 150, 180] days from the Participant's date of termination:* Credit will be given towards satisfaction of the eligibility Waiting Period he previously served under the policy. However, any days accumulated during his period of lapse in coverage will not be credited. The Participant will be considered a New Participant and subject to the terms of the policy, except as stated herein.]
- 2) If a Participant returns to Active Work more than the number of consecutive calendar days, shown in 1) above, after his individual termination date and requests Individual Reinstatement:
 - a) The Participant will be considered a New Participant subject to the terms of the policy.
 - b) Eligibility for Personal Insurance, Enrollment and his Individual Effective Date Of Insurance will be determined as stated in the policy.
 - c) The Waiting Period and Pre-Existing Condition exclusion or limitation period will start anew. The Individual Reinstatement date will be used when applying the Pre-Existing Condition exclusion or limitation period.
- 3) If the Participant is currently insured under the policy's Portability Privilege and returns to Active Work with the Policyholder and requests Individual Reinstatement to the policy:
 - a) Personal Insurance will become effective [immediately upon the date of request for Individual Reinstatement] [the first day of the Coverage Month immediately following the date of request for Individual Reinstatement], as stated in the Schedule of Benefits.
 - b) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class held by the Participant under the policy immediately prior to cessation of Active Work.
 - c) Credit will be given towards satisfaction of the Pre-Existing Condition exclusion or limitation period he already served under the policy and the Portability Privilege. The Participant's original Individual Effective Date of Insurance will be used when applying the Pre-Existing Condition exclusion or limitation period.
 - d) Coverage under the Portability Privilege must terminate immediately prior to the date of Individual Reinstatement under the policy.

SECTION 5A – INDIVIDUAL REINSTATEMENT

- 4) If Personal Insurance terminates because of a leave approved by the Policyholder under the Federal Family and Medical Leave Act (FMLA), or similar applicable state law, and the Participant returns to full-time Active Work immediately following the end of the leave:
 - a) Personal Insurance will become effective immediately upon the date of request for Individual Reinstatement.
 - b) Credit will be given towards satisfaction of the Pre-Existing Condition exclusion or limitation period previously served under the policy, however, the days accumulated during the period of lapse in coverage will not be credited. The original Individual Effective Date of Insurance will be used when applying the Pre-Existing Condition exclusion or limitation period.
 - c) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class that the Participant would have been entitled to prior to the leave.
- 5) [If Personal Insurance terminates because a Person becomes a full-time member of the armed forces of the United States and he returns to full-time Active Work, the Person's coverage may be reinstated if required under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and applicable state law.]

**SECTION 5B – CONTINUATION OF PERSONAL INSURANCE
UNDER THE FAMILY AND MEDICAL LEAVE ACT**

[CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY AND MEDICAL LEAVE ACT. If the Policyholder correctly approves a leave of absence under the Federal Family and Medical Leave Act (FMLA), a Person's coverage under the policy will be continued as stated in this Section. Personal Insurance will continue while a Person's leave is covered under FMLA, until the end of the later of:

- 1) the leave period permitted under FMLA or
- 2) the leave period permitted by applicable state law.

Coverage continued under this Section is subject to the following requirements:

- 1) the Policyholder has approved a Person's leave in writing as a leave taken under FMLA;
- 2) applicable premiums must continue to be paid to AUL in accordance with the policy (see Section 6 - PREMIUM PAYMENT); and
- 3) the Lump Sum Disability Amount will be the amount in effect prior to the date the Person's family or medical leave began.

Continuation of Personal Insurance under this provision will cease on the EARLIEST of the following:

- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date the policy terminates;
- 5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under the policy;
- 7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
- 8) the date a Person requests termination of coverage under the policy, but not prior to the date of request;
- 9) the date the Lump Sum Disability Benefit is paid to the Person[.]; or
- 10) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.]

All terms and conditions of the policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under the policy.]

**SECTION 5C - CONTINUATION OF PERSONAL INSURANCE
DURING A [LEAVE OF ABSENCE][AND][TEMPORARY LAYOFF]**

[LEAVE OF ABSENCE references in this Section means the Person is absent from Active Work for a temporary period of time that has been agreed to in advance and in writing by the Policyholder[.] [and includes temporary layoffs unless otherwise stated.]

[CONTINUATION OF PERSONAL INSURANCE WHILE TEMPORARILY LAID OFF. If the Policyholder approves a temporary layoff, a Person's coverage under the policy will be continued [to the end of the Coverage Month following the month in which the layoff begins] [to the end of the [60][90][120][150][180]-day period from the date the Person's layoff began], as long as premiums continue to be paid to and received by AUL, subject to same requirement as a Leave Of Absence.]

[CONTINUATION OF PERSONAL INSURANCE UNDER A LEAVE OF ABSENCE: If the Policyholder approves a Leave of Absence, a Person's coverage under the policy will be continued [to the end of the Coverage Month following the month that a Person begins a Leave of Absence,][to the end of the [60][90][120][150][180]-day period from the date the Person begins a Leave of Absence] as long as premiums continue to be paid to and received by AUL, subject to the following requirements:

- 1) the Policyholder has approved a Person's Leave of Absence in writing;
- 2) applicable premiums must continue to be paid to AUL in accordance with the policy (see Section 6 – PREMIUM PAYMENT); and
- 3) the Lump Sum Disability Benefit will be the amount in effect prior to the date the Person's Leave of Absence began.]

Continuation of Personal Insurance under this provision will cease on the EARLIEST of the following:

- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date the policy terminates;
- 5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under the policy;
- 7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
- 8) the date a Person requests termination of coverage under the policy, but not prior to the date of request;
- 9) the date the Lump Sum Disability Benefit is paid to the Person[.]; or
- 10) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.]

All terms and conditions of the policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under the policy.]

**SECTION 5D – CONTINUATION OF PERSONAL INSURANCE
DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE**

[LEAVE OF ABSENCE means the Person is absent from Active Work for a temporary period of time that has been agreed to in advance in writing by the Policyholder.

CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE: If the Person is on a leave of absence for active military service as described under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and applicable state law, the Person's coverage may be continued until the later of:

- 1) the length of time the coverage may be continued under the policy for an FMLA leave of absence; or
- 2) the length of time the coverage may be continued under the policy for a Leave of Absence other than an FMLA leave of absence.

Coverage continued under this Section is subject to the following requirements:

- 1) applicable premiums must continue to be paid to and received by AUL in accordance with the policy (see Section 6 - PREMIUM PAYMENT); and
- 2) the Lump Sum Disability Benefit will be the amount in effect prior to the date the Person's Leave of Absence For Active Military Service began.

Continuation of Personal Insurance under this provision will cease on the earliest of the following:

- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date the policy terminates;
- 5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under the policy;
- 7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
- 8) the date a Person requests termination of coverage under the policy, but not prior to the date of request; or
- 9) the date the Lump Sum Disability Benefit is paid to the person.

All terms and conditions of the policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under the policy.]

SECTION 6 - PREMIUM PAYMENT

PREMIUM PAYMENTS: As provided in the Application, the Policyholder is responsible for properly and accurately paying premium to AUL on or before the Due Date. All premiums will be calculated and paid in U.S. dollars. At the request of the Policyholder and AUL's written approval, the interval of premium payments may be changed.

Overpayment of premium will not result in increases in any coverage amounts or additional benefits for the Policyholder or Person. If a Person has Contributory Insurance, premiums paid by the Person may be paid by means of payroll deduction administered by the Policyholder.

Premiums for a Person's coverage under the policy shall be owed beginning on the Person's Individual Effective Date of Insurance. Premiums will cease to be owed on the Person's individual termination date. However, premiums will continue to be owed if the Person is Disabled on his individual termination date. Premiums will continue to be owed until the date they are waived according to the Waiver of Premium provision.

Each premium payment will include adjustments in past premiums for changes that have not previously been taken into account. Payment of any premium does not maintain the insurance in force beyond the end of the period for which it has been paid. Each premium payment is owed to AUL on or before its Due Date.

The above manner of charging premiums applies only to a Person's insurance that is terminating, but not the termination of the policy. Each premium payment will include adjustments in past premiums for changes that have not previously been taken into account.

PREMIUM RATES: AUL reserves the right to change premium rates on any date:

- 1) after the Policyholder's coverage has been in effect for [one (1) year][two (2) years][three (3) years][four (4) years], [five (5) years] or as stated in the Application, by giving prior written notice to the Policyholder at least [31 days] before the effective date of the change;
- 2) the eligibility or benefit provisions are changed;
- 3) the number of Persons insured under the policy changes by [10%] or more;
- 4) a division, unit, subsidiary or affiliate is added to, or deleted from, the Policyholder's coverage under the policy.
- 5) if the age or any other fact that affects the benefits for a Person or Policyholder has been misstated or
- 6) there is a change in existing laws which affects the coverage offered under the policy

[**WAIVER OF PREMIUM BENEFIT:** *[Non-contributory option:* Premium payments will be waived for a Disabled Person immediately following 12 weeks of Disability] *[Contributory option:* Premium payments for a Disabled Person will be waived the first Date of Disability] and will continue to be waived during the Elimination Period and Benefit Eligibility Period. If a Disabled Person returns to work before the end of his Elimination Period or his Benefit Eligibility Period, his premium payments will resume, but he will not be required to repay the waived premiums.

Premiums for coverage under the policy will be waived as described in this provision, providing the Lump Sum Disability Benefit is paid by AUL.]

SECTION 7 – GENERAL POLICY PROVISIONS

AGENCY: For all purposes of the policy, the Policyholder acts on behalf of itself or as agent for the Person. Under no circumstances will the Policyholder be deemed the agent of AUL.

AMENDMENT AND CHANGES: The policy may be amended in writing by mutual agreement between the Policyholder and AUL, but without prejudice to any loss incurred prior to the effective date of the amendment. No change in the policy is valid until approved in writing by the Chief Executive Officer, President, or Secretary of AUL. No agent has the authority to approve coverage, change the policy or waive any of its provisions.

ASSIGNMENT: No assignment of any present or future right or benefit under the policy will bind AUL without its prior written consent and when permitted under applicable laws.

CERTIFICATES: AUL will issue a certificate for delivery by the Policyholder to the insured Persons. The certificate will summarize the Person's coverage under the policy and will state:

- 1) the benefits provided; and
- 2) to whom the benefits are payable.

If there is any discrepancy between the provisions of any marketing materials, plan documents, certificate, and the provisions of the policy, the provisions of the policy will govern.

CLERICAL ERROR: Clerical error on the part of the Policyholder or AUL will not invalidate insurance otherwise in force nor continue insurance otherwise terminated.

CONFORMITY WITH STATE LAWS: Any provision of the policy in conflict with the laws of the state in which it is delivered is amended to conform to the minimum requirements of those laws.

DATA AND RECORDS: The Policyholder must promptly furnish all information that AUL reasonably requires. The Policyholder must furnish all relevant information to AUL about Persons:

- 1) who qualify to become insured or are eligible for benefits;
- 2) whose amounts of insurance change; and/or
- 3) whose insurance terminates.

At any reasonable time, AUL or its representatives shall have the right to inspect the records of the Policyholder that, in the opinion of AUL, may have a bearing on the insurance coverage provided under the policy.

[DISCRETIONARY AUTHORITY: Benefits under the policy will be paid only if AUL (or its third party administrator) decides in its discretion that the Person is entitled to them. Except for the functions the policy explicitly reserves to the Policyholder, AUL reserves the right to:

- 1) manage the policy and administer claims under it; and
- 2) interpret the provisions and resolve any questions arising under it.

AUL's (or its third party administrator) authority includes, but is not limited to, the right to:

- 1) establish and enforce procedures for administering the policy and claims under it;
- 2) determine Participants' eligibility for insurance and entitlement to benefits;
- 3) determine what information AUL reasonably requires to make such decisions; and
- 4) resolve all matters when a claim review is requested.

Any decision that AUL (or its third party administrator) makes, in the exercise of its authority, will be conclusive and final subject to any rights under the Employee Retirement Income Security Act (ERISA). This provision applies only where the interpretation of the policy is governed by ERISA. AUL may delegate some or all of its rights under this Discretionary Authority provision to another person or entity, and AUL hereby desires to share with and delegate rights under this provision to its third party administrator.]

SECTION 7 – GENERAL POLICY PROVISIONS

ENTIRE CONTRACT: The policy, the application forms of the Persons, the Application of the Policyholder, and any amendments made from time to time constitute the entire contract.

GRACE PERIOD: If the Policyholder or AUL does not give notice in writing that coverage under the policy is to be terminated, a grace period of [31 days] will be granted for the payment of any premium owed after the first premium Due Date. During the grace period, the policy will continue in force but will automatically terminate on the last day of the Grace Period. The Policyholder is liable to AUL for payment of premiums for the days of grace during which the policy remains in force. AUL is not obligated to pay claims incurred during the grace period until the premium owed is received.

[INSURANCE FRAUD: AUL wants to ensure that its customers do not incur additional insurance costs as a result of the act of insurance fraud. Applicable state laws require AUL to undertake measures to detect, investigate and prosecute fraud.

Anyone that knowingly completes an application for insurance or statement of claim containing any materially false information or facts, with the intent to deceive, conceal or mislead is committing a fraudulent insurance act. This is a crime and may subject that Person to criminal and civil penalties.]

MISSTATEMENT OF FACTS: If the age or any other fact that affects the benefits for a Person or Policyholder has been misstated, the benefits will be payable based on the true facts. Premium adjustment will be made so that AUL will receive the actual premium required based on the true facts.

RELATIONSHIP: AUL and the Policyholder are, and will remain, independent contractors. Nothing in the policy or the Application shall be construed as making the parties joint ventures or as creating a relationship of employer and Participant, master and servant or principal and agent. Neither party has any power, right or authority to bind the other or to assume or create any obligation or responsibility on behalf of the other. AUL and the Policyholders each retain exclusive control of their time and methods to perform their respective duties. AUL and the Policyholder will employ, pay and supervise their own employees and pay their own expenses. The Policyholder is required to familiarize itself with all relevant state and federal laws including applicable banking, MEWA, plan sponsor, plan administrator, and fiduciary laws. Any violation of federal or state law will require Policyholder to reimburse AUL for any and all damages or fines imposed on AUL as well as AUL's reasonable attorney's fees incurred due to Policyholder's violations and/or any violations incurred by any representative of Policyholder, in which AUL is made party thereof.

STATEMENTS MADE IN AN APPLICATION: All statements made by the Policyholder, or insured Persons shall be deemed representations and not warranties. No such statements will be used to reduce or deny any claim or to cancel the Person's coverage unless:

- 1) the statement is in writing; and
- 2) a copy of that statement is given to the Person or his Survivor.

SECTION 7 – GENERAL POLICY PROVISIONS

INCONTESTABILITY: The validity of any coverage under the policy may not be contested, except in the case of fraud or for nonpayment of premiums, after the policy has been in force for two years after its date of issue, and other than a misrepresentation of a material fact, no statement made by a Policyholder or a Person relating to his insurability may be used in contesting the validity of the insurance with respect to which the statement was made, unless: (1) the insurance has not been in force for a period of two years or longer; or (2) the statement is contained in a written instrument signed by the Person. However, AUL is not precluded from asserting at any time any defenses based upon provisions in the policy relating to eligibility for coverage. All statements made by a Policyholder or a Person are to be deemed representations and not warranties, and that other than a misrepresentation of a material fact no statement made by any Person may be used in any contest unless a copy of the instrument containing the statement is or has been furnished to the Person or, in the event of death or incapacity of the Person, to the Person's personal representative.

WORKER'S COMPENSATION AND WORKMEN'S COMPENSATION NOT AFFECTED: The policy is not in lieu of, and does not affect any requirement for coverage by Worker's or Workmen's Compensation Insurance.

SECTION 7A – CLAIM PROCEDURES

INITIAL NOTICE OF DISABILITY: Written notice of Disability must be given to AUL within [90] days after the Elimination Period ends. If written notice cannot be made during this time period due to an Act of God or force majeure event, AUL must be notified as soon as it is reasonably possible to do so. Written notice should contain sufficient information to identify the Person. Notices are not considered given until received by AUL at its Home Office in Indianapolis, Indiana or by one of its Claims offices.

CLAIM FORMS FOR PROOF OF LOSS: Upon receipt of the Initial Notice of Disability, AUL will furnish the Policyholder with any necessary claim forms to be given to the Person. These forms must be properly, accurately and truthfully completed and returned to AUL. If, for any reason, the Person does not receive a claim form within [15 days] of request, the Person should submit written proof of Disability. The initial claim form or proof of Disability must show:

- 1) claimant's name;
- 2) Employer's name and address;
- 3) Policy number;
- 4) the date Disability started;
- 5) the cause of Disability; and
- 6) the nature and extent of the Disability.

The initial claim form or proof of Disability must be signed by a Physician and sent to AUL within 90 calendar days of the Benefit Eligibility Period. If it is not possible to give proof within these limits, it must be given as soon as reasonably possible. Proof of claim may not be given later than twelve (12) months after the time proof is otherwise required, except in the absence of legal capacity.

AUL will also periodically send the Person additional claim forms or requests for information necessary to determine eligibility for benefits under the policy. These subsequent claim forms and requests for information must be returned to AUL within [30 days] after the Person receives them.

LEGAL ACTION: No legal action may be brought to obtain benefits or a refund of premium paid under the policy:

- 1) for at least [60 days] after proof of loss or entitlement to a premium refund has been furnished; [or]
- 2) [before any denial or reduction of benefits by AUL has been appealed properly in writing; or]
- 3) no action may be brought after [three (3) years] following the expiration of the time within which proof of loss or entitlement to a premium refund is required by the Policyholder.

TIME OF PAYMENT OF CLAIMS: When AUL receives a claim form or proof of Disability, benefits for which AUL is liable under the policy will be paid.

PAYMENT OF CLAIMS: All benefits are payable to a Person. If a Person dies before a benefit to which he was entitled is paid, AUL has the right to pay the Survivor. If AUL pays benefits in good faith to a person who it considers entitled to such benefits or without notice of closer kinship, then AUL will have no obligation to pay such benefits again. The Lump Sum Disability Benefit Amount will be calculated and paid in United States dollars. All claim payments will be made in compliance with ERISA or in accordance with applicable state laws.

SECTION 7A – CLAIM PROCEDURES

[RIGHT TO APPEAL: If a Person wishes to appeal AUL's decision, claimants are allowed 180 days following receipt of a notification of an adverse benefit determination within which to appeal the determination. Claimants are allowed the opportunity to submit written comments, documents, records and other information relating to the claim for benefits. The claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. Whether a document, record or other information is relevant to a claim for benefits shall be determined by reference to paragraph (m)(8) of 29 C.F.R. § 2560.503-1. AUL's review will take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. A claimant has a right to obtain the information about any voluntary appeal procedures offered by the plan described in paragraph (c)(3)(iv) of 29 C.F.R. § 2560.503-1 and has a right to bring an action under section 502(a) of ERISA. A final determination will be provided pursuant to 29 C.F.R. § 2560.503-1.]

[ARBITRATION: Any controversy or claim arising out of or relating to the policy, the sale or solicitation of the policy, or its breach thereof whether in tort, contract, breach of duty (including but not limited to) any alleged fiduciary, good faith and fair dealing duties, shall be decided by arbitration in accordance with the Federal Arbitration Act, the procedures of the commercial arbitration rules of the American Arbitration Association, and this agreement. The Court of Arbitrators, which is to be held in the county seat where the Person resides, shall consist of three (3) arbitrators familiar with employee welfare benefit plans. The selection of the arbitrators shall be conducted within thirty (30) days after proper service of a demand for arbitration. One of the arbitrators shall be appointed by AUL, one by the insured, and the third shall be selected by the first two appointees prior to the beginning of arbitration. Should the two arbitrators be unable to agree upon the choice of a third, the appointment shall be left to the President or any Vice President of the American Arbitration Association. The arbitrators shall decide by a majority of votes, the award shall be in writing, the decision shall be signed by a majority of the arbitrators, and they shall include a statement regarding the reasons for the disposition of any claim. Judgment on the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The parties are not precluded from challenging the decision under the Federal Arbitration Act or applicable law. Unless not allowed under applicable law, each party shall bear the expense of its own attorney and arbitrator, and shall share equally with the other party the expenses of the third arbitrator and of the arbitration.

The parties agree that AUL is engaged in interstate commerce, and the transaction is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16.

Consistent with the expedited nature of arbitration, each party will, upon the written request of the other party, promptly provide the other with copies of documents relevant to the issues raised by any claim or counterclaim on which the producing party may rely in support of or in opposition to any claim or defense. Any dispute regarding discovery, or the relevance or scope thereof, shall be determined by the arbitrator(s), which determination shall be conclusive. All discovery shall be completed within sixty (60) days following the appointment of the arbitrator(s) or longer following mutual agreement by the parties.]

SECTION 7A – CLAIM PROCEDURES

[RIGHT OF RECOVERY: If benefits have been received for which the Person was not entitled to receive under the policy, then full reimbursement to AUL is required. Such reimbursement is required whether the overpayment is due to intentional or innocent misrepresentations by the Person, intentional or innocent misrepresentations by an entity supplying AUL with information, a claims processing error or miscalculation by AUL or for any other reason. If reimbursement is not made, then AUL has the right, as allowed under law to:

- 1) reduce future benefits or any amounts payable under all other AUL insurance contracts insuring the Person until full reimbursement is made, and
- 2) recover such overpayments from the Person or his estate.

If AUL chooses not to use benefit payments towards the reimbursement, this will not constitute a waiver of AUL's rights to reimbursement. This provision will be in addition to, and not in lieu of, any other compensation available to AUL by law.]

SECTION 8 - INSURING PROVISIONS

LUMP SUM DISABILITY BENEFIT: AUL will pay a Lump Sum Disability Benefit to the Person according to the terms of the policy if, while insured under the policy, a Person:

- 1) satisfies the Elimination Period;
- 2) becomes Permanently and Totally Disabled during the Benefit Eligibility Period; and
- 3) submits the required proof that he is Permanently and Totally Disabled within 90 days of the end of the Benefit Eligibility Period.

The Lump Sum Disability Benefit Amount shown in the Schedule of Benefits is payable to the Person once and will be subject to Reductions and other provisions of the policy.

The Lump Sum Disability Benefit Amount will never exceed the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits.

PHYSICAL EXAMINATION: AUL, at its own expense, has the right to have a Person examined and evaluated to determine the existence of and basis for any Disability. This right may be exercised as often as is reasonably necessary, as determined by AUL, and must be performed by a Physician of AUL's choice.

The Lump Sum Disability Benefit will NOT be payable if:

- 1) the Person dies during the Elimination Period;
- 2) the Person becomes Permanently and Totally Disabled after the last day of the Benefit Eligibility Period;
- 3) the Person is working;
- 4) the Person fails to submit the required claim forms for proof of loss within 90 days of the Benefit Eligibility Period;
- 5) the Person refuses to allow an examination requested by AUL;
- 6) the Person is no longer under the Regular Attendance and care of a Physician;
- 7) the Person leaves the United States or Canada and establishes his residence in any other country. A Person will be considered to reside outside these countries when the Person has been residing outside the United States or Canada during the Elimination Period or Benefit Eligibility Period; or
- 8) the Person has a been paid a Lump Sum Disability Benefit under the policy.

RECURRENT RETURN TO WORK PERIOD: As long as the Policyholder's coverage remains in force with AUL, if a Person resumes his [Regular Occupation][Regular Job] for the Policyholder on a full-time basis, and performs each Material and Substantial Duty of that occupation for less than the Return to Work Period during the Benefit Eligibility Period (both of which are shown on the Schedule of Benefits), the Disability will be part of the prior period of Disability. Days the Person returns to work for the same Policyholder will not extend the Benefit Eligibility Period. The Disability must be the direct result of the Injury or Sickness that caused the prior Disability. A Person will not have to complete a new Elimination Period. The Lump Sum Disability Benefit will be subject to the terms of the policy for the prior Disability.

If, after the period of Disability as stated in the preceding paragraph, a Person resumes his [Regular Occupation][Regular Job] for the Policyholder on a full-time basis for more than the return to work period as shown on the Schedule of Benefits, any further Disability will be part of a new period of Disability and a new Elimination Period must be completed before a Person may qualify for a Lump Sum Disability Benefit.

ACCUMULATION OF ELIMINATION PERIOD: If a Person satisfies the number of days in the Elimination Period within a period of time that is two times the Elimination Period, then that Disability will be treated as continuous as long as the Policyholder's coverage remains in force with AUL.

SECTION 8 - INSURING PROVISIONS

DEATH OF A PERSON: If a Person dies after qualifying for, but before receiving, the Lump Sum Disability Benefit, the full Lump Sum Disability Benefit Amount will be payable to the Person's Survivor.

[10%-100%] of the Lump Sum Disability Benefit Amount owed after applicable Reductions may be paid to the Survivor if:

- 1) prior to his death, the Person had satisfied the Elimination Period;
- 2) prior to his death the Person was Disabled;
- 3) the Person died during the Benefit Eligibility Period but before satisfying the conditions of Permanent and Total Disability; and
- 4) the Person's death due to complications or was caused by the Person's Disability.

All the General Exclusions pertaining to a Disability listed in Section 9 – EXCLUSIONS would apply.

SECTION 9 - EXCLUSIONS

GENERAL EXCLUSIONS: The policy does not cover any Disability or provide any benefits for a loss caused by, contributed to by, or resulting from:

- 1) participation in war or any act of war, declared or undeclared;
- 2) active participation in a riot;
- 3) attempted suicide, regardless of mental capacity;
- 4) attempted or actual self-inflicted bodily injury or self destruction, including but not limited to the voluntary inhaling or taking of:
 - a) a prescription drug in a manner other than as prescribed by a Physician;
 - b) any federal or state regulated substance in an unlawful manner;
 - c) non-prescription medicine in a manner other than as indicated in the printed instructions;
 - d) poison; and
 - e) toxic fumes;
- 5) commission of or attempt to commit a criminal act under relevant state law;
- 6) Cosmetic Surgery. However, Cosmetic Surgery will be covered when it is due to:
 - a) reconstructive surgery incidental to, or follows surgery resulting from, trauma, infection or other diseases of the involved part; or
 - b) congenital disease or anomaly that has resulted in a functional defect;
- 7) a Person being legally intoxicated as defined by the law of the jurisdiction in which the incident occurs;
- 8) any event that occurs while a Person is incarcerated in a penal or correctional institution;
- 9) participation in voluntary asphyxiation;
- 10) traveling or flying on any aircraft being used for experimental purposes; or
- 11) engaging in any illegal or fraudulent activity, work, or employment.

PRE-EXISTING CONDITION EXCLUSION:

[Benefits will not be paid if the Person's Disability begins in the first [5 days,][3, 6, 12 or 24 months] following the Person's Individual Effective Date of Insurance; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [30 days][3, 6, or 12 months] just prior to the Person's Individual Effective Date of Insurance[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [30 days] [3, 6 or 12 months] just prior to the Person's Individual Effective Date of Insurance.]]

[Benefits will not be paid if the Person's Disability begins in the first [3, 6, 12, or 24 months] following the Person's Individual Effective Date of Insurance; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [30 days][3, 6 or 12 months] just prior to the Person's Individual Effective Date of Insurance; [or][and]
- 2) [the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [30 days] [3, 6 or 12 months] just prior to the Person's Individual Effective Date of Insurance; and]
- 3) the Person was not Treatment Free for [3, 6, 12, or 24] consecutive months after the Person's Individual Effective Date of Insurance.]]

SECTION 9 - EXCLUSIONS

[When the policy is replacing a Prior Plan of Franchise Coverage, the preceding Pre-Existing Condition Limitation provision will not apply to a Person:

- 1) who is listed on the prior carrier's billing statement for Franchise Coverage for the month prior to the Policyholder's Effective Date or if the prior carrier premium for the Person's Franchise Coverage is paid to within [90 days] of the Policyholder's Effective Date;
- 2) who requests coverage under the policy when he first becomes eligible for coverage; and
- 3) whose coverage under the Prior Plan terminated.]

SECTION 9 – EXCLUSIONS

[[PRE-EXISTING CONDITION EXCLUSION ON AN INCREASED BENEFIT[OR GUARANTEED INCREASE IN BENEFIT]: This provision applies to an increase in Lump Sum Disability Benefit Amount that occurs after the Policyholder's Effective Date.

The policy will not cover the amount of the increase in Lump Sum Disability Benefit Amount if the Person's Disability begins in the first [6, 12, 18, 24, 36] months following the effective date of the increase in coverage; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:]]

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [three (3), six (6), twelve (12)] months just prior to his effective date of increase in amount of insurance[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [three (3), six (6), twelve (12)] months just prior to his effective date of increase in amount of insurance.]]

[[PRE-EXISTING CONDITION EXCLUSION ON AN INCREASED BENEFIT WHEN CHANGING CARRIERS: This provision applies to an increase in the Lump Sum Disability Benefit Amount when:

- 1) coverage under the policy replaces a Prior Plan;
- 2) coverage under the policy has a Lump Sum Disability Benefit Amount that is in excess of the Prior Plan; and
- 3) the Pre-Existing Condition Limitation on the Prior Plan was for a period of time of [three (3), six (6), twelve (12)] months or less.

The policy will not cover the amount of the increase in Lump Sum Disability Benefit Amount if the Person's Disability begins in the first [6, 12, 18, 24, 36] months following the Policyholder's Effective Date; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:]]

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [three (3)] months just prior to his effective date of increase in amount of insurance[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [three (3), six (6), twelve (12)] months just prior to the Policyholder's effective date of increase in amount of insurance.]]

[[PRE-EXISTING CONDITION EXCLUSION FOR A CHANGE IN OPTIONS: This provision applies when a Person changes options resulting in an increase in coverage after the Policyholder's Effective Date.

The policy will not cover the Person under the new option if the Person's Disability begins in the first [6, 12, 18, 24, 36] months following the Policyholder's Effective Date; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:]]

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [three (3), six (6), twelve (12)] months just prior to the Change Effective Date of the change in options[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [three (3), six (6), twelve (12)] months just prior to the Change Effective Date of the change in the option's increase in amount of insurance.]

A Person will be eligible to receive the Lump Sum Disability Benefit Amount previously approved.]]

[SECTION 10 – LIMITATIONS

[DRUG AND ALCOHOL ABUSE LIMITATION: The Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to drug and alcohol abuse or a condition caused by or contributed to by drug and alcohol abuse, will be limited to [10%-90%] of the Lump Sum Disability Amount after applicable Reductions.]

[MENTAL ILLNESS LIMITATION: The Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to mental illness, will be limited to [10%-90%] of the Lump Sum Disability Amount after applicable Reductions. AUL will not apply the Mental Illness Limitation to a Disability due to dementia if it is a result of:

- 1) stroke;
- 2) trauma;
- 3) viral infection; or
- 4) Alzheimer's disease.]

[SPECIAL CONDITIONS LIMITATION: Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to a Special Condition , will be limited to [10%-90%] of the Lump Sum Disability Amount after applicable Reductions.

SPECIAL CONDITION means:

- 1) musculoskeletal and connective tissue disorders of the neck and back including any disease or disorder of the cervical, thoracic and lumbosacral back and its surrounding soft tissue including sprains and strains of joints and adjacent muscles, EXCEPT:
 - a) arthritis;
 - b) herniated intervertebral discs;
 - c) scoliosis;
 - d) spinal fractures;
 - e) osteopathies;
 - f) spinal tumors, malignancy, or vascular malformations;
 - g) radiculopathies;
 - h) spondylolisthesis, grade II or higher;
 - i) myelopathies and myelitis;
 - j) demyelinating disease;
 - k) traumatic spinal cord neurosis;
 - l) myofacial pain syndrome;
- 2) chronic fatigue syndrome;
- 3) fibromyalgia;
- 4) carpal tunnel syndrome; or
- 5) environmental allergic illness, including but not limited to sick building syndrome and multiple chemical sensitivity.]]

SECTION 11 - CONTINUITY OF COVERAGE

This Section applies when coverage under the policy:

- 1) replaces a Policyholder's Prior Plan that:
 - a) terminated within 60 days before the Policyholder's Effective Date of coverage under the policy; and
 - b) applies to Persons insured under the Policyholder's Prior Plan on its termination date; or
- 2) replaces a Policyholder's Prior Plan of Franchise Coverage:
 - a) that terminated; and
 - b) applies to Persons insured under the Policyholder's Prior Plan of Franchise Coverage, within [1-90] days before the Policyholder's original Effective Date.

Continuity of Coverage will apply to a Person who would not get coverage under the policy because of the following situations:

- 1) failure of a Person to be Actively At Work due to Disability[,] [or] [an approved Leave of Absence][,] [or temporary layoff] on the Policyholder's Effective Date ; or
- 2) a Pre-Existing Condition limitation or exclusion of the policy, unless replacing a Prior Plan of Franchise Coverage.

BENEFITS FOR A PERSON WHO FAILS TO BE ACTIVELY AT WORK DUE TO DISABILITY

The policy will insure, subject to proper premium payments, a Person who:

- 1) was insured under the Prior Plan on its termination date; and
- 2) is not Actively At Work due to Disability[,] [or] [an approved Leave of Absence][,] [or temporary layoff] on the Policyholder's Effective Date.

Coverage under this provision will begin on the Policyholder's Effective Date and will continue until the EARLIEST of:

- 1) the [end of the month following the]date the Person returns to Active Work; or
- 2) the end of any period of coverage provided under the Prior Plan; or
- 3) the date coverage would otherwise end, according to the provisions of the AUL policy.

The benefits payable will be the lesser of:

- 1) the benefits for which the Person would have been eligible to receive under the policy, if the Person had been Actively at Work; or
- 2) the benefits provided by the Prior Plan, had coverage remained in force,.

This Section of the Continuity of Coverage provision does not establish eligibility for coverage of a Person under the policy. Eligibility can only be met when the Person returns to full-time, Active Work as described in the Eligibility and Individual Effective Date of Insurance Section.]

SECTION 11 - CONTINUITY OF COVERAGE

[BENEFITS PAYABLE FOR PERMANENT AND TOTAL DISABILITY DUE TO A PRE-EXISTING CONDITION
(this section will not apply when the policy is replacing a Prior Plan of Franchise Coverage)]

Benefits may be payable for a Permanent and Total Disability due to a Pre-Existing Condition for a Person who:

- 1) was insured by the Prior Plan on its termination date; and
- 2) has been continuously covered under this AUL policy from the Policyholder's Effective Date through the date the Person's Permanent and Total Disability began.

The benefit payable will be determined by applying the policy's Pre-Existing Condition exclusion. If the Injury or Sickness that causes a Person's Permanent and Total Disability is not excluded under the Pre-Existing Condition exclusion of the policy, then a Person will be paid the Lump Sum Disability Amount.

If the Injury or Sickness which causes a Person's Disability is excluded under the Pre-Existing Condition exclusion of the policy, as shown in the Schedule of Benefits, and such Injury or Sickness is not excluded under the Prior Plan's Pre-Existing Condition exclusion, giving consideration for continuous time covered under both plans, the Person will be paid the lesser of[the following, except the shorter Elimination Period of the two plans will apply]:

- 1) the Lump Sum Disability Amount determined without application of the Pre-Existing Condition exclusion as determined by AUL; or
- 2) the lump sum disability benefits of the Prior Plan.

If the Injury or Sickness is excluded under the Prior Plan's Pre-Existing Condition exclusion, giving consideration for continuous time covered under both Plans, no Lump Sum Disability Amount will be paid.]

[SECTION 12 – PORTABILITY PRIVILEGE

If a Person's insurance under the policy terminates for any reason other than stated below, the Person is entitled to continue his coverage for [360 days][52 weeks][12 months][1 year] without submission of Evidence Of Insurability. To be eligible for this Privilege, the Person must have been insured under the policy for at least [360 consecutive days][52 consecutive weeks][12 consecutive months][1 year] immediately preceding the Person's individual termination.

This Portability Privilege provides a Lump Sum Disability Benefit Amount equal to [50%] of the coverage the Person had immediately prior to the date of his termination. Any benefits payable under this Section are governed according to the provisions of the policy.

This Portability Privilege is subject to the following:

- 1) written application for Portability must be made within 31 calendar days after termination of insurance under the policy;
- 2) payment of the amount of premium owed;
- 3) the premium is based on the Person's age and the premium rate in effect on the date of application for Portability; and
- 4) the effective date for the Person under the Portability Privilege is the date immediately following the date of his termination.

The Portability Privilege is not available to any Person:

- 1) whose insurance under the policy terminates for any of the following reasons:
 - a) the Person enters a class of Participants that are not eligible for coverage under the policy;
 - b) the Person retires (including, but not limited to, when the Person receives payment from any Employer's Retirement Plan as recognition of past services or has concluded his/her working career); or
 - c) the Person fails to pay any required premiums;
 - d) the Person was paid a Lump Sum Disability Benefit;
- 2) who is or becomes insured for any other coverage similar to the type of coverage provided by the policy within 31 days after termination under the policy;
- 3) who is Disabled under the terms of the policy; or
- 4) who is on Leave of Absence.

Insurance under the Portability Privilege will terminate on the earliest of the following dates:

- 1) the last day for which any required premium has been made;
- 2) the date the Person requests termination, but not prior to the date of the request;
- 3) the last day of a Coverage Month, provided that AUL has given at least [31] days prior written notice to the Person;
- 4) the date the Person retires;
- 5) the date the policy terminates;
- 6) the date the Person enters active military service for any country, except for temporary duty of 30 days or less;
- 7) the date that coverage begins under any other insurance policy that provides coverage similar to coverage provided by the policy;
- 8) the date following [12 months] of coverage;
- 9) the date the Lump Sum Disability Benefit is paid to the Person; or
- 10) the date a Person leaves the United States or Canada and establishes his residence in any other country. A Person will be considered to reside outside these countries when the Person has been residing outside the United States or Canada during the Elimination Period or Benefit Eligibility Period.



**AMERICAN UNITED LIFE INSURANCE COMPANY®
INDIANAPOLIS, INDIANA 46206-0368**

In consideration of the Application for this policy made by:

[ABC Company]

(Hereinafter called the Policyholder)

and of the payment of all premiums when due, American United Life Insurance Company® (AUL) agrees to insure certain individuals who are or become entitled to insurance under the terms and conditions of this policy and to pay to those insured individuals the benefits owed under this policy.

The Policy Number is [XXXXXX]. The Policyholder's Effective Date is [MM/DD/YYYY]. The first premium is due on the Effective Date of this policy. Subsequent premiums are due each succeeding Policy Month. The Policyholder's Anniversary date is [MM/DD] of each year.

The first Policy Month begins on the [first] day of [January] and ends on the [last] day of [January]. Each succeeding Policy Month runs for a similar period thereafter.

The provisions on the following pages are considered a part of this policy. This policy is executed by AUL at its Home Office in Indianapolis, Indiana and coverage takes effect on the Policyholder's Effective Date.

[By-law, Art. II, Sec. 2: The regular annual meeting of the members of this Corporation shall be held at its principal place of business on the third Thursday in February of each year at ten o'clock A.M. local time or at such other location, place, or time as may be designated by the Board of Directors. The elections of directors shall be held at the annual meeting.]

[Thomas M. Zurek
Secretary]

[Dayton Molendorp
President and
Chief Executive Officer]

LUMP SUM DISABILITY INSURANCE POLICY

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SECTION 1 - SCHEDULE OF BENEFITS

ELIGIBLE CLASS	[Full Time Participants.]
CLASS NUMBER	[001]
[Option	[01]]
REQUIREMENT FOR FULL TIME PARTICIPANTS	[[30] hours or more [per week][bi-weekly][per month][per quarter][semi-annually][annually]. See Section 3.]
	<i>OR</i>
	[[1-365 days][1-52 Weeks] or more per year. See Section 3.]
	<i>OR</i>
	[[1-365 days][1-52 Weeks] or more per year averaged over [2-52 weeks][2-365 days]. See Section 3.]
	<i>OR</i>
	[[30] hours or more [per week][bi-weekly][per month][per quarter][semi-annually][annually] averaged over [2-52 weeks][2-365 days]. See Section 3.]
BENEFIT ELIGIBILITY PERIOD	[First day following the end of the Elimination Period] [[180-1,080 days][26-156 weeks][6-36 months][1-3 years] following the Elimination Period.] See Section 2.
CHANGES IN INSURANCE	[Immediately following the Waiting Period.][First day of the Coverage Month following the Initial Enrollment Period.][Policyholder's Anniversary Date following the Initial Enrollment Period.][First day of the Coverage Month following the Scheduled Enrollment Period.] See Section 3.
CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY AND MEDICAL LEAVE ACT (FMLA)	This provision is [not] included for this class. See Section 5B.
CONTINUATION OF PERSONAL INSURANCE DURING A [LEAVE OF ABSENCE] [AND] [TEMPORARY LAYOFF]	This provision is [not] included for this class. See Section 5C.
CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE	This provision is [not] included for this class. See Section 5D.
CONTINUITY OF COVERAGE	This benefit is [not] included for this class. See Section 11.
ELIMINATION PERIOD (EP) Accumulation of EP	[30-720 days][4-104 weeks][1-48 months][1-2 years]. See Section 2. [60-1,440 days][8-208 weeks][2-96 months][2-4 years]. See Section 8

SECTION 1 - SCHEDULE OF BENEFITS

GUARANTEED ISSUE AMOUNT (GIA)	[\$0, \$1,000, \$5,000, \$6,000, \$7,000 - \$1,000,000]
GUARANTEED ISSUE AMOUNT (GIA) FOR A LATE ENROLLEE	[\$0, \$1,000, \$2,000, \$3,000 - \$250,000]
GUARANTEED INCREASE IN BENEFIT (GIB) [GIB Amount]	This benefit is [not] included for this class. See Section 4. [\$1,000, \$2,000, \$3,000 - \$250,000]
INDIVIDUAL EFFECTIVE DATE Initial Participants	Policyholder's Effective Date if the Participant has satisfied his Waiting Period on or before said date, otherwise [immediately following the Waiting Period][the first day of the Coverage Month following the Initial Enrollment Period][the Policyholder's Anniversary Date following the Initial Enrollment Period][the First day of the Coverage Month following the Scheduled Enrollment Period]. See Section 3
New Participants	[Immediately following the Waiting Period.][First day of the Coverage Month following the Initial Enrollment Period.][Policyholder's Anniversary Date following the Initial Enrollment Period.][First day of the Coverage Month following the Scheduled Enrollment Period.] See Section 3.
INDIVIDUAL REINSTATEMENT	This provision is [not] included for this class. Application must be made within [30][60][90][120][180][360][365] days from termination date. Effective [immediately][first day of the Coverage Month]. See Section 5A.
[INITIAL ENROLLMENT PERIOD Initial Participants New Participants	Between [MM/DD/YYYY and MM/DD/YYYY.] [[[30] Days following the Participant's Eligibility Date.][The Scheduled Enrollment Period beginning on the Participant's Eligibility Date.] See Section 3.]
[LIFE EVENT BENEFIT (LEB) [Life Event Benefit Amount]	This benefit is [not] included for this class. See Section 4.] [\$1,000, \$2,000, \$3,000 - \$250,000]
[LIMITATIONS [Drug and Alcohol Abuse Limitation [Mental Illness Limitation [Special Conditions Limitation]	[10%-90%] of the Lump Sum Disability Amount. See Section 10.] [10%-90%] of the Lump Sum Disability Amount. See Section 10.] [10%-90%] of the Lump Sum Disability Amount. See Section 10.]

SECTION 1 - SCHEDULE OF BENEFITS

LUMP SUM DISABILITY BENEFIT AMOUNT

[Flat Amount: [\$1,000, \$2,000, \$3,000 - \$1,000,000].]

OR [incremental options as selected by the Policyholder and agreed to by AUL.]

[The Lump Sum Disability Amount is a flat amount available in [\$1,000] increments. The minimum Lump Sum Disability Amount is [\$1,000]. The maximum Lump Sum Disability Amount is [\$1,000,000].]

OR [Benefit Amounts as selected by the Policyholder and agreed to by AUL.]

[Benefit Amount 1]	[Benefit Amount 2]	[Benefit Amount 3]
[\$1,000]	[\$5,000]	[\$15,000]
[Benefit Amount 4]	[Benefit Amount 5]	[Benefit Amount 6]
[\$30,000]	[\$50,000]	[\$60,000]
[Benefit Amount 7]	[Benefit Amount 8]	[Benefit Amount 9]
[\$70,000]	[\$80,000]	[\$90,000]
[Benefit Amount 10]		
[\$100,000]		

See Section 8.

MAXIMUM LUMP SUM DISABILITY BENEFIT AMOUNT

[\$1,000, \$2,000, \$3,000 - \$1,000,000]

PARTICIPANT PREMIUM CONTRIBUTIONS

[Non-contributory][Contributory]. See Section 3.

POLICY MONTH

A period that begins on the [first] day of the month and ends on the [last] day of the month.

[PORTABILITY PRIVILEGE

This privilege is [not] included for this class. See Section 12.]

[PRE-EXISTING CONDITION EXCLUSION

Duration

[30/5][5 day][3/12][6/12][6/24][12/12][12/24]
[3/3/12][3/6/12][6/6/12][12/6/12][6/6/24][6/12/24][12/6/24][12/12/24]
See Section 9.]

RECURRENT RETURN TO WORK PERIOD

[[30][60][90][120] days]. See Section 8.

SECTION 1 - SCHEDULE OF BENEFITS

[[REDUCTIONS: Upon attainment of the age [65], the Lump Sum Disability Benefit Amount will reduce [by][to] [50%]. [Upon attainment of the age [70], the Lump Sum Disability Benefit Amount will reduce [by][to] [70%] of the [original][reduced] amount. Upon attainment of the age [80], the Lump Sum Disability Benefit Amount will reduce [by][to] [90%] of the [original][reduced] amount.]]

OR

[[REDUCTIONS: Upon attainment of the age [65], the Lump Sum Disability Benefit Amount will reduce [by][to] [\$10,000]. Upon attainment of the age [70], the Lump Sum Disability Benefit Amount will reduce [by][to] [\$5,000] of the [original][reduced] amount. Upon attainment of the age [80], the Lump Sum Disability Benefit Amount will reduce [by][to] [\$1,000].]

OR

[[REDUCTIONS: The Lump Sum Disability Benefit Amount will begin reducing to percentages shown below when the Participant reaches age [65, 70, 75, 80, 85]. The percentage of coverage remaining once the Participant attains various ages will be as follows:

[STANDARD REDUCTION STARTING AT AGE 65

PARTICIPANT'S AGE	REDUCED BENEFIT PERCENTAGE
[65]	[70%]
[70]	[45%]
[75]	[30%]
[80]	[25%]
[85]	[20%]
[90]	[15%]]

OR

[STANDARD REDUCTION STARTING AT AGE 60

PARTICIPANT'S AGE	REDUCED BENEFIT PERCENTAGE
[60]	[70%]
[65]	[50%]
[70]	[30%]
[75]	[20%]
[80]	[15%]]

OR

[[REDUCTIONS: Benefits do not reduce based on age.]]

SECTION 1 - SCHEDULE OF BENEFITS

SCHEDULED ENROLLMENT PERIOD [[90] days prior to the Policyholder's Anniversary Date.]

WAITING PERIOD

Initial Participants [0-360] [days, months, years]

New Participants [0-360] [days, months, years] See Section 2.

[WAIVER OF PREMIUM This benefit is [not] included for this class. See Section 6.]

SECTION 2 – DEFINITIONS

ACTIVE WORK and **ACTIVELY AT WORK** means the regular and full-time use of time and energy in the services of the Person's [Regular Occupation][Regular Job]. The Person must be physically and mentally capable of performing each of the Material and Substantial Duties of his [Regular Occupation][Regular Job] on a regular full-time basis.

This includes time off for vacation, jury duty, paid holidays, and funeral leave, where the Person could have been Actively At Work on that day.

Active Work does not include periods of time when a Participant is not Actively At Work following an Injury, Sickness, strike, lock-out, layoff, after a Participant's employment has ended voluntarily or involuntarily, or periods of time the terminated Participant receives accrued vacation pay or other employment related benefits after his employment termination date.

BENEFIT ELIGIBILITY PERIOD means the period of [consecutive] [days][weeks][months][years] the Person is Disabled commencing the first day following the Elimination Period and continuing for the number of months identified in the Schedule of Benefits.

COSMETIC SURGERY means surgery that is performed to change the texture, shape, or structure of any part of the human body for the purpose of beautifying or creating a different visual appearance.

CONTRIBUTORY INSURANCE means insurance for which the Person pays part or all of the premium.

COVERAGE MONTH means that period of time beginning on the Person's Individual Effective Date, and continuing from the first day and ending on the last day of each succeeding Policy Month.

DATE OF HIRE means the first day the Participant is Actively At Work in an eligible class of the Policyholder.

DATE OF DISABILITY means the first date the Person is Disabled.

DISABILITY and **DISABLED** means that, due to Sickness or Injury, a Person during the Elimination Period and/or Benefit Eligibility Period:

- 1) is unable to perform one or more of the Material and Substantial Duties of his [Regular Occupation][Regular Job][any occupation] on a full-time basis; [and][or
- 2) is performing at least one of the Material and Substantial Duties of his [Regular Occupation][Regular Job] or another occupation on a part time basis and is working for the Policyholder less than 80% of his regular hours, that does not include overtime pay, during the six weeks prior to the Person's Date of Disability; and]
- 3) is under the Regular Attendance of a Physician for that Sickness or Injury.

DUE DATE means the first day of the Coverage Month for which the premium is payable.

SECTION 2 – DEFINITIONS

ELIGIBILITY DATE means the date that a Participant, in an eligible class as stated in the Schedule of Benefits, has satisfied his Waiting Period and AUL determines is eligible for Personal Insurance under this policy.

ELIMINATION PERIOD means a period of [consecutive] [days][weeks][months][years] the Person is Disabled beginning on the Date of Disability.

EMPLOYER means the entity or organization for which the Person performs services and which has the right to control what will be done and how it will be done. An Employer has the right to control the details of how the services are performed by the Person. The Person must not be considered an independent contractor or agent unless classified by the IRS as a statutory employee of the Employer. The Employer is the entity or organization for which the Person performs his [Regular Occupation][Regular Job], and is required to withhold and pay income, social security, and Medicare taxes on wages.

EMPLOYER'S RETIREMENT PLAN means any defined benefit or defined contribution plan that is sponsored by the Employer.

EVIDENCE OF INSURABILITY means a statement or proof of a Person's medical history, upon which acceptance for insurance will be determined by AUL.

FRANCHISE COVERAGE means disability insurance coverage which allows Participants to be insured as part of their relationship with the Policyholder but such coverage is not part of an employee welfare benefit plan and the Participants are insured under individual policies.

[**GUARANTEED INCREASE IN BENEFIT (GIB)** means an additional amount of coverage that may be available to a Person once a year if certain specified conditions are met.]

GUARANTEED ISSUE AMOUNT (GIA) means the amount of coverage that does not require Evidence of Insurability. This amount is stated in the Schedule of Benefits.

INDIVIDUAL REINSTATEMENT means that Personal Insurance that has been terminated due to cessation of Active Work may be reinstated in accordance with Section 5A of this policy.

INJURY means a sudden, unforeseen and unexpected event that occurs independently of all other causes and causes physical harm to the Person. This includes all other conditions related to the same Injury.

[**LIFE EVENT BENEFIT (LEB)** means an increase or decrease in coverage resulting from specific events occurring in a Person's life.]

LUMP SUM DISABILITY BENEFIT means the benefit amount payable to a Person who is Permanently and Totally Disabled, according to the provisions of this policy as approved by AUL and stated in the Schedule of Benefits.

MALE PRONOUN whenever used includes the female.

MATERIAL AND SUBSTANTIAL DUTIES means duties that:

- 1) are normally required for the performance of an occupation; and
- 2) cannot be reasonably omitted or modified.

SECTION 2 – DEFINITIONS

MENTAL ILLNESS means a psychiatric or psychological condition classified in the *Diagnostic and Statistical Manual of Mental Health Disorders (DSM)*, published by the American Psychiatric Association, most current as of the start of a Disability. Such disorders include, but are not limited to, psychotic, emotional or behavioral disorders, or disorders related to stress or to substance abuse or dependency. If the *DSM* is discontinued or replaced, these disorders will be those classified in the diagnostic manual then used by the American Psychiatric Association as of the start of a Disability.

NON-CONTRIBUTORY INSURANCE means insurance for which the Person pays none of the premium.

PARTICIPANT means any individual who is a full-time employee, shareholder, owner, proprietor, partner, member, or corporate officer of the Policyholder:

- 1) whose employment with the Policyholder constitutes his principal occupation;
- 2) who works at that occupation a minimum number of hours as stated in the Schedule of Benefits;
- 3) who is working at the Policyholder's regular place of business which may include an alternative worksite if approved by the Policyholder and AUL;
- 4) who is not a part-time, temporary or seasonal Participant or worker;
- 5) who is authorized to work in the United States under applicable state and federal laws; and
- 6) if approved by AUL:
 - a) who legally works and resides in Canada;
 - b) who legally works in the United States and resides in Canada; or
 - c) who legally works in Canada and resides in the United States.

PERMANENT and TOTAL DISABILITY and PERMANENTLY and TOTALLY DISABLED means that, due to Sickness or Injury, a Person is:

- 1) expected to be unable to perform the Material and Substantial Duties of [his Regular Occupation][his Regular Job][any occupation] for which he is reasonably fitted by training, education or experience on a full-time basis for a continuous period of not less than [24] months;
- 2) not working;
- 3) not engaged in any activity for profit, such as a business or investment activity;
- 4) not receiving income or revenue from an activity which is a hobby; and
- 5) under the Regular Attendance of a Physician for that Sickness or Injury.

If the Person's [Regular Occupation][Regular Job] requires a license, loss of this license for any reason does not in itself constitute Permanent and Total Disability.]

PERSON means a Participant who has met the requirements of the ELIGIBILITY, ENROLLMENT AND INDIVIDUAL EFFECTIVE DATE section of this policy.

PERSONAL INSURANCE means the coverage provided under this policy for a Person.

PHYSICIAN means a qualified, state licensed doctor of medicine or osteopathy, and any other licensed health care provider that state law requires to be recognized as a Physician, practicing within the scope of his license and applicable law. Physician does not include a Physician employed by the Policyholder, a Person or anyone related to a Person by blood or marriage.

SECTION 2 – DEFINITIONS

POLICYHOLDER means any sole proprietorship, partnership, member, corporation, limited liability company, limited liability partnership, firm, school district, individual school, union, association, organization, or instrumentality of a state or political subdivision thereof, that has been approved by AUL and to whom this policy is issued. An entity that is subsidiary to or affiliated with the Policyholder as defined below is eligible for coverage under this policy if it is shown on the Application or later added by amendment to this policy.

A subsidiary may be included in this definition when the Policyholder owns more than 50% of the voting stock of the entity.

An affiliate may be included in this definition when the entity is under common control with the Policyholder through 51% or more ownership and control.

The Policyholder is liable for all premiums due for subsidiaries and affiliates during any period of time a subsidiary and/or affiliate is insured under this policy. Any notice given to the Policyholder by AUL shall be considered notice given to the subsidiary and/or affiliate.

POLICYHOLDER'S EFFECTIVE DATE means the date on which coverage is actually effective for the Policyholder under this policy as determined by AUL.

POLICYHOLDER'S ANNIVERSARY DATE means an annual date chosen by the Policyholder and agreed to by AUL.

PRE-EXISTING CONDITION means any condition for which a Person [or for which an ordinarily prudent Person] did or would have done any of the following at any time during the [30 days][[3][6][12] months] immediately prior to a Person's Individual Effective Date of Insurance, whether or not that condition was diagnosed at all or was misdiagnosed:

- 1) received medical treatment or consultation;
- 2) taken or were prescribed drugs or medicine; or
- 3) received care or services including diagnostic measures.

PRIOR PLAN means the Policyholder's plan of lump sum disability insurance or benefit plan having similar features to Lump Sum Disability that terminated on the day immediately before the Policyholder's Effective Date of coverage under this policy.

[REGULAR ATTENDANCE means that a Person:

- 1) personally meets with or visits a Physician as medically required according to standard medical practice, to effectively manage and treat his Disability;
- 2) is receiving the most appropriate treatment and care that will maximize his medical improvement and aid in his return to work; and
- 3) is receiving care by a Physician whose specialty or clinical experience is appropriate for the Disability.]

[REGULAR JOB means the job a Person was performing for the Policyholder immediately prior to the Date of Disability.]

SECTION 2 – DEFINITIONS

[REGULAR OCCUPATION means a Person's occupation as it is recognized in the general workplace and according to industry standards. The Person's time, energy and services must be performed at his [Employer's][Policyholder's] regular place of employment, or an alternative worksite approved by AUL. For Actively at Work requirements, a Person's alternative worksite may not be located outside of the United States or Canada for more than 6 months in any 12-month period. A Person's occupation does not mean the specific job tasks he does for a [Policyholder][Employer] or at a specific location. For example, an attorney's Regular Occupation means the practice of law as defined under applicable laws versus a specialized area within the practice of law.]

SICKNESS means illness, bodily disorder or disease, Mental Illness, normal pregnancy and complications of pregnancy. Complications of pregnancy are defined as concurrent disease or abnormal conditions significantly effecting the usual medical management of pregnancy.

SPOUSE means an individual to whom the Person is married.

However, for purposes of insurance under this policy, Spouse does not include an individual from whom the Person is divorced.

SURVIVOR means a relative entitled to inherit under intestate succession laws , in the following order: a Person's Spouse, child(ren), grandchildren, great grandchildren, parent(s), siblings, nieces and nephews, grandparents, aunts and uncles.

[TREATMENT FREE means the Person has not received medical treatment, consultation, care or services including diagnostic measures, and the Person has not taken or been prescribed drugs or medicines for the Pre-existing Condition.]

[WAITING PERIOD means the period of days, starting on the Date Of Hire, that a Participant must be continuously Actively at Work while in an eligible class. Initial Participants will be given credit for time served under the Policyholder's prior carrier if this policy replaced the same type of coverage he had with the prior carrier. [Part time employees will receive credit for the number of continuous days worked for the Policyholder immediately prior to being hired as a full time Participant.] The Waiting Period is stated in the Schedule of Benefits.]

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

Refer to **PARTICIPANT PREMIUM CONTRIBUTIONS** and **INDIVIDUAL EFFECTIVE DATE** in the Schedule of Benefits to determine applicable class(es) and option(s).

If coverage is Non-contributory the following applies:

INITIAL PARTICIPANT means a Participant who is employed by the Policyholder before the Policyholder's Effective Date.

NEW PARTICIPANT means a Participant who is employed by the Policyholder on or after the Policyholder's Effective Date.

ELIGIBILITY DATE: A Participant who is in an eligible class as stated in the Schedule of Benefits and has satisfied his Waiting Period, becomes eligible for Personal Insurance under this policy on:

- 1) *Initial Participant:*
 - a) the Policyholder's original Effective Date of coverage under this policy; [or]
 - b) [the day immediately following completion of the Waiting Period[; or]
 - c) [the first day of the Coverage Month immediately following completion of the Waiting Period].
- 2) *New Participant[:*
 - a) [the day immediately following completion of the Waiting Period[; or]
 - b) [the first day of the Coverage Month immediately following completion of the Waiting Period]].

INDIVIDUAL EFFECTIVE DATE OF INSURANCE: This means the date a Participant's Personal Insurance first becomes effective under this policy. This date only applies to the Lump Sum Disability Benefit Amount less than or equal to the Guaranteed Issue Amount shown in the Schedule of Benefits for the Person's class.

If a Participant is not Actively At Work on the date insurance would otherwise become effective, the Individual Effective Date of Insurance cannot begin until the date the Participant returns to full-time Active Work for the Policyholder.

AMOUNTS IN EXCESS OF THE GUARANTEED ISSUE AMOUNT: Any portion of the Lump Sum Disability Benefit Amount that exceeds the Guaranteed Issue Amount will require Evidence of Insurability satisfactory and without expense to AUL. If the excess portion is approved, the effective date for that portion will be named by AUL. If the excess portion is not approved by AUL, the Lump Sum Disability Benefit Amount will be an amount equal to the Guaranteed Issue Amount.

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

Refer to **PARTICIPANT PREMIUM CONTRIBUTIONS** and **INDIVIDUAL EFFECTIVE DATE** in the Schedule of Benefits to determine applicable class(es) or option(s).

If coverage is Contributory the following applies:

INITIAL PARTICIPANT means a Participant who is employed by the Policyholder before the Policyholder's Effective Date.

NEW PARTICIPANT means a Participant who is employed by the Policyholder on or after the Policyholder's Effective Date.

LATE ENROLLEE: A Late Enrollee is an Initial or New Participant who is Actively At Work, but does not request coverage during his Initial Enrollment Period. [Enrollment for Late Enrollees can only occur annually during the Scheduled Enrollment Period.] [If a Late Enrollee was previously declined coverage by AUL for medical reasons, he will not be eligible for the Guaranteed Issue Amount for Late Enrollees and he will be required to submit satisfactory Evidence of Insurability, without expense to AUL.]

ELIGIBILITY DATE: A Participant who is in an eligible class as stated in the Schedule of Benefits and has satisfied his Waiting Period, becomes eligible for Personal Insurance under this policy on:

- 1) *Initial Participant:*
 - a) the Policyholder's original Effective Date of coverage under this policy; [or]
 - b) [the day immediately following completion of the Waiting Period]; [or]
 - c) [the first day of the Coverage Month immediately following the Waiting Period]; [or]
 - d) [the Policyholder's Anniversary Date following the Initial Enrollment Period]; [or]
 - e) [the first day of the Coverage Month following the next Scheduled Enrollment Period].
- 2) *New Participant:*
 - a) the day immediately following completion of the Waiting Period; [or]
 - b) [the first day of the Coverage Month immediately following the Waiting Period]; [or]
 - c) [the Policyholder's Anniversary Date following the Initial Enrollment Period]; [or]
 - d) [the first day of the Coverage Month following the next Scheduled Enrollment Period].
- 3) *Late Enrollee:*
 - a) [the Policyholder's Anniversary Date following the next Scheduled Enrollment Period]; [or]
 - b) [the first day of the Coverage Month following the next Scheduled Enrollment Period]].

[ENROLLMENT: To be considered for coverage, an eligible Participant must apply correctly and truthfully for Personal Insurance under this policy. Eligible Participants applying for Personal Insurance must complete and sign a written request for coverage on an enrollment form approved by AUL and pay the required premiums before coverage will become effective. This form will be given to and maintained by the Policyholder. Coverage may only be requested during an Initial or Scheduled Enrollment Period, as follows:]

- 1) **INITIAL ENROLLMENT PERIOD:** The Initial Enrollment Period is the time during which an eligible Participant who is Actively At Work may first apply for coverage following completion of the Waiting Period without providing Evidence Of Insurability. An eligible Participant may waive coverage or request coverage under any option offered by the Policyholder for his class. The Initial Enrollment Period includes the following periods, during which a Participant may make his initial written application for coverage under this policy:
 - a) *Initial Participant:* the Initial Enrollment Period, which is the period of time agreed to by AUL and the Policyholder and is stated in the Schedule of Benefits.
 - b) *New Participant:* the Initial Enrollment Period, which is shown on the Schedule of Benefits as either:
 - i) the period that begins on the Eligibility Date and continues through the number of days as shown on the Schedule of Benefits; or
 - ii) the Scheduled Enrollment Period beginning on the Eligibility Date.]

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

- 2) **SCHEDULED ENROLLMENT PERIOD:** This is a recurrent period of days, as stated in the Schedule of Benefits, after the Policyholder's original Effective Date, during which:
- a) a New Participant [or eligible Late Enrollee] may apply in writing, on an AUL approved enrollment form, for coverage under this policy[.]; or[[
 - b) a Person may change from one Lump Sum Disability Benefit option to another Lump Sum Disability Benefit option under this policy, with satisfactory Evidence of Insurability[.]; or[[
 - c) an eligible Person may increase their Lump Sum Disability Benefit Amount by the Guaranteed Increase In Benefit Amount as stated in the Schedule of Benefits without Evidence of Insurability. See Section 4[.]; or[[
 - d) an eligible Person may increase their Lump Sum Disability Benefit Amount to an amount in excess of the Guaranteed Increase In Benefit Amount as stated in the Schedule of Benefits with satisfactory Evidence of Insurability. See Section 4[.]; or[[
 - e) an eligible Late Enrollee may apply in writing for a Lump Sum Disability Benefit Amount in excess of the Guaranteed Issue Amount for Late Enrollees as stated in the Schedule of Benefits with satisfactory Evidence of Insurability. See Section 4.]

The Scheduled Enrollment Period is chosen by the Policyholder and must be approved by AUL.]]

- 3) **DELAYED ENROLLMENT PERIOD:** An eligible Initial or New Participant who is not Actively At Work during his Initial Enrollment Period may apply for Personal Insurance without providing Evidence of Insurability. He may do this if:
- a) he has returned to full-time Active Work;
 - b) he is in an eligible class as stated in the Schedule of Benefits;
 - c) his Waiting Period was completed prior to his cessation of Active Work; and
 - d) he applies within 31 days of the day he returns to Active Work.]]

EVIDENCE OF INSURABILITY: Evidence of Insurability is required if:

- 1) the Participant applies for Lump Sum Disability Insurance in excess of the Guaranteed Issue Amount as stated in the Schedule of Benefits;[
- 2) the Late Enrollee applies for Lump Sum Disability Insurance;]]
- 3) the Late Enrollee applies for Lump Sum Disability Insurance in excess of the Guaranteed Issue Amount for Late Enrollees as stated in the Schedule of Benefits;]]
- 4) the Person applies for Lump Sum Disability Insurance in excess of the Guaranteed Increase In Benefit Amount as stated in the Schedule of Benefits;] or
- 5) the Participant applies for Lump Sum Disability Insurance after termination of insurance due to failure to pay the required amount of premium timely.

Any amount of insurance for which the Participant or Person requests greater than the Guaranteed Issue Amount will only be available following written approval by AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If insurance for amounts greater than the Guaranteed Issue Amount is approved, coverage will begin on the date identified in writing by AUL. If an amount greater than the Guaranteed Issue Amount is not approved by AUL, the Lump Sum Disability Benefit Amount will be equal to the Guaranteed Issue Amount and will be effective as set forth in the Individual Effective Date of Insurance provision of this policy.

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

Refer to **INDIVIDUAL EFFECTIVE DATE** in the Schedule of Benefits to determine applicable class(es) or option(s).

INDIVIDUAL EFFECTIVE DATE OF INSURANCE

Initial Participant:

- 1) The Individual Effective Date of Insurance for an eligible Initial Participant who has satisfied his Waiting Period prior to the Policyholder's Effective Date is the Policyholder's original Effective Date under this policy as long as an Initial Participant:
 - a) requested coverage during the Initial Enrollment Period; and
 - b) is Actively At Work for the Policyholder on that date.
- 2) The Individual Effective Date of Insurance for an eligible Initial Participant who has not satisfied his Waiting Period prior to the Policyholder's Effective Date is:
 - a) *[Immediately following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is the date of the request as long as the New Participant:
 - i) requested coverage during the Initial Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]
 - b) *[First day of the Coverage Month following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is [the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month][the first day of the next Coverage Month following the Participant's Date of Hire] as long as the New Participant:
 - i) requested coverage during the Initial Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]
 - c) *[Policyholder's Anniversary Date following the Initial Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the Policyholder's Anniversary Date following the Initial Enrollment Period as long as the New Participant:
 - i) requested coverage during the Initial Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]
 - d) *[First day of the Coverage Month following the Scheduled Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the first day of the Coverage Month following the Scheduled Enrollment Period as long as the New Participant:
 - i) requested coverage during the Scheduled Enrollment Period;
 - ii) has completed the Waiting Period for New Participants; and
 - iii) is Actively At Work on the Individual Effective Date of Insurance.]

**SECTION 3 – ELIGIBILITY, ENROLLMENT,
AND INDIVIDUAL EFFECTIVE DATE**

Refer to **INDIVIDUAL EFFECTIVE DATE** in the Schedule of Benefits to determine applicable class(es) or option(s).

New Participant:

The Individual Effective Date of Insurance for an eligible New Participant depends on the Policyholder's selection on the Application, as described below:

- 1) *[Immediately following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is the date of the request as long as the New Participant:
 - a) requested coverage during the Initial Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]
- 2) *[First day of the Coverage Month following the Waiting Period for New Participants:* The Individual Effective Date of Insurance for an eligible New Participant is [the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month][the first day of the next Coverage Month following the Participant's Date of Hire] as long as the New Participant:
 - a) requested coverage during the Initial Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]
- 3) *[Policyholder's Anniversary Date following the Initial Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the Policyholder's Anniversary Date following the Initial Enrollment Period as long as the New Participant:
 - a) requested coverage during the Initial Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]
- 4) *[First day of the Coverage Month following the Scheduled Enrollment Period:* The Individual Effective Date of Insurance for an eligible New Participant is the first day of the Coverage Month following the Scheduled Enrollment Period as long as the New Participant:
 - a) requested coverage during the Scheduled Enrollment Period;
 - b) has completed the Waiting Period for New Participants; and
 - c) is Actively At Work on the Individual Effective Date of Insurance.]]

[Late Enrollee: The Guaranteed Issue Amount for a Late Enrollee is stated in the Schedule of Benefits. The Individual Effective Date of Insurance for an eligible Late Enrollee is the Policyholder's Anniversary Date following the date of the Late Enrollee request as long as the Late Enrollee:

- 1) requested coverage during the Scheduled Enrollment Period;
- 2) has completed the Waiting Period for New Participants; and
- 3) is Actively At Work on the Individual Effective Date of Insurance.

SECTION 4 - CHANGES IN INSURANCE

Refer to **CHANGES IN INSURANCE** and **GUARANTEED INCREASE IN BENEFIT** in the Schedule of Benefits to determine applicable class(es) or option(s).

[EFFECTIVE DATE OF CHANGE (Immediate & GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction; or
- 2) the date of AUL's written approval of the change.

Prior to a change in coverage that increases coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium must be paid.

A change increasing the amount of coverage equal to or less than the GIB offer takes effect the date the Person becomes eligible for the change in coverage.

A change in coverage increasing the amount of coverage exceeding the Person's GIB offer takes effect the date the Person becomes eligible for the change in coverage and is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the approved change date, any change in the amount of coverage takes effect on the date the Person returns to Active Work.]

[EFFECTIVE DATE OF CHANGE (first of the Coverage Month & GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the first day of the Coverage Month following any scheduled reduction;
- 2) the first day of the Coverage Month following AUL's written approval of the change, if the date is the first day of the Coverage Month; or
- 3) the first day of the next Coverage Month following AUL's written approval of the change, if the date is after the first day of the Coverage Month.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium must be paid.

A change increasing the amount of coverage equal to or less than the GIB offer takes effect on:

- 1) the first day of the Coverage Month; if the Person becomes eligible for the change on the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the date the Person becomes eligible for the change in coverage, if the date is after the first day of the Coverage Month.

A change in coverage increasing the amount of coverage above the Person's GIB offer is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the effective date of the approved increase, any increase in the amount of coverage takes effect on:

- 1) the first day of the Coverage Month if the Person returns to Active Work on the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work, if the date is after the first day of the Coverage Month.]

[If the change is an increase in the Lump Sum Disability Benefit Amount, the provision entitled Pre-Existing Condition Exclusion On An Increased Lump Sum Disability Benefit Amount, as shown in Section 9 - EXCLUSIONS, will apply to the increased amount.]

SECTION 4 - CHANGES IN INSURANCE

Refer to **CHANGES IN INSURANCE** and **GUARANTEED INCREASE IN BENEFIT** in the Schedule of Benefits to determine applicable class(es) or option(s).

[EFFECTIVE DATE OF CHANGE (anniversary & GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction;
- 2) the Policyholder's Anniversary Date following AUL's written approval of the change, if the date of AUL's approval is the Policyholder's Anniversary Date; or
- 3) the Policyholder's Anniversary Date next following AUL's written approval of the change, if the date of AUL's approval is after the Policyholder's Anniversary Date.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium be paid.

A change in coverage increasing the amount of coverage not exceeding the Person's GIB offer takes effect on:

- 1) the Policyholder's Anniversary Date, if the date is the Policyholder's Anniversary Date; or
- 2) the Policyholder's Anniversary Date next following the date the Person becomes eligible for the change in coverage, if the date is after the Policyholder's Anniversary Date.

A change in coverage increasing the amount of coverage exceeding the Person's GIB offer is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the Policyholder's Anniversary Date that is the approved change date, any increase in the amount of coverage takes effect on the date the Person returns to Active Work.]

[EFFECTIVE DATE CHANGE (anniversary & No GIB)]

A change in coverage that does not increase the amount of coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction;
- 2) the Policyholder's Anniversary Date following AUL's written approval of the change, if the date of AUL's approval is the Policyholder's Anniversary Date; or
- 3) the Policyholder's Anniversary Date next following AUL's written approval of the change, if the date of AUL's approval is after the Policyholder's Anniversary Date.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium be paid.

If the Person is not Actively at Work on the Policyholder's Anniversary Date that is the approved change date, any increase in the amount of coverage takes effect on:

- 1) the date the Person returns to Active Work, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work.]

[If the change is an increase in the Lump Sum Disability Benefit Amount, the provision entitled Pre-Existing Condition Exclusion On An Increased Lump Sum Disability Benefit Amount, as shown in Section 9 - EXCLUSIONS, will apply to the increased amount.]

SECTION 4 - CHANGES IN INSURANCE

Refer to **CHANGES IN INSURANCE** and **GUARANTEED INCREASE IN BENEFIT** in the Schedule of Benefits to determine applicable class(es) or option(s).

[EFFECTIVE DATE OF CHANGE (1st of Coverage Month & No GIB)]

A change in coverage that does not increase the amount of coverage takes effect on:

- 1) the first day of the Coverage Month following any scheduled reduction;
- 2) the first day of the Coverage Month following AUL's written approval of the change, if the date is the first day of the Coverage Month; or
- 3) the first day of the next Coverage Month following AUL's written approval of the change, if the date is after the first day of the Coverage Month.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for Sickness or Injury)] must be Actively at Work and the required amount of premium be paid.

A change increasing the amount of coverage is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If the Person is not Actively at Work on the approved change date, any change in the amount of coverage takes effect on:

- 1) the date the Person returns to Active Work, if the date is the first day of the Coverage Month; or
- 2) the first day of the next Coverage Month following the Person's return to Active Work, if the date is after the first day of the Coverage Month.]

[EFFECTIVE DATE OF CHANGE (Immediate & No GIB)]

A change in coverage that does not increase the amount of a Person's coverage becomes effective the earlier of:

- 1) the date of any scheduled reduction; or
- 2) the date of AUL's written approval of the change.

Prior to a change in coverage that increases the amount of coverage, the Person [(except a Person on an Employer-approved Leave of Absence other than for an Injury or Sickness)] must be Actively at Work and the required amount of premium be paid.

A change increasing the amount of coverage is subject to:

- 1) satisfactory Evidence of Insurability, at no expense to AUL; and
- 2) AUL's written approval.

If a Person is not Actively at Work on the approved change date, any increase in the amount of coverage takes effect on the date the Person returns to Active Work.]

[If the change is an increase in the Lump Sum Disability Benefit Amount, the provision entitled Pre-Existing Condition Exclusion On An Increased Lump Sum Disability Benefit Amount, as shown in Section 9 - EXCLUSIONS, will apply to the increased amount.]

SECTION 4 - CHANGES IN INSURANCE

[CHANGING LUMP SUM DISABILITY OPTIONS: After the Initial Enrollment Period, a Person may increase his coverage to another option available to his class only during a Scheduled Enrollment Period. The request for a change in option and agreement to pay the required premium must be made in writing on a form approved by AUL, subject to the following:

- 1) an increase in coverage to the next higher option available to a Person's class will not require Evidence of Insurability;
- 2) requests to increase coverage to an option other than the next higher option will not be allowed; and
- 3) if a Person fails to apply for an increase in coverage during the Scheduled Enrollment Period, he will continue to be covered under his current option until the next Scheduled Enrollment Period.

If the Person is not Actively At Work on the Effective Date of Change, the Person becomes eligible for the change on the first day that the Person returns to Active Work.]

DECREASING THE LUMP SUM DISABILITY BENEFIT AMOUNT: A Person may decrease the amount of his coverage at any time. Any decrease in coverage will become effective [immediately][the first day of the Coverage Month] following the date of the request.

Any change in insurance, other than a decrease in the amount of coverage or an increase in coverage to the next higher option as stated above, will require satisfactory Evidence of Insurability.

If a change in options results in an increase in coverage, the provision entitled Pre-Existing Condition Exclusion For A Change In Options, shown in Section 9 - EXCLUSIONS, will apply.

SECTION 4 - CHANGES IN INSURANCE

Refer to **GUARANTEED INCREASE IN BENEFIT** and **REDUCTIONS** in the Schedule of Benefits to determine applicable class(es) or option(s).

[GUARANTEED INCREASE IN BENEFIT (GIB)]

The Person may apply for the GIB, which is an additional amount of coverage, at each AUL approved Scheduled Enrollment Period without satisfactory Evidence of Insurability, if all the following conditions are met:

- 1) the Person must be under age [60-90];
- 2) the Person must be Actively at Work on the effective date of the increase;
- 3) the amount of each increase will be limited to the GIB Amount stated in the Schedule of Benefits;
- 4) the amount of coverage after the increase is not greater than the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits;
- 5) the Person has not previously been declined for the GIB; [and]
- 6) the Person applying for a GIB whose total amount of coverage exceeds the Maximum Lump Sum Disability Benefit Amount will be limited to the Maximum Lump Sum Disability Benefit Amount[.]; and][
- 7) the Person will be limited to [six (6)] GIB increases during the lifetime of this policy.]

If reductions begin prior to age [60-90], the total amount of coverage following the GIB will be reduced according to the Reductions stated in the Schedule of Benefits.

If a Participant declines the Lump Sum Disability Insurance during the Initial Enrollment Period and wants to apply at a later Scheduled Enrollment date, receipt of any coverage will first require Evidence of Insurability and information satisfactory to AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If coverage is approved, coverage will begin on the date identified in writing by AUL. If the Participant is approved for coverage during the Scheduled Enrollment, he will be eligible to apply for the GIB at the next Scheduled Enrollment Period.

If coverage is declined following unsatisfactory Evidence of Insurability, no GIB will be available until Evidence of Insurability and information is received. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If the GIB request is approved, coverage will begin on the date identified and approved in writing by AUL.

[Automatic GIB provision for list billed groups only.]

Within thirty (30) days prior to the GIB offering, a Person may revocably elect to opt in to automatically receive the GIB by:

- 1) applying for the Lump Sum automatic opt in option on AUL's enrollment form during the Initial Enrollment Period;
or
- 2) submitting a request in writing to AUL indicating the Person's desire to automatically receive the GIB.

If a Person, after opting in to the GIB, elects at a later date to decline to automatically receive the GIB, he must submit notification of declination in writing to AUL thirty (30) days before the GIB would have taken effect.

The GIB will become effective on the Policyholder's Anniversary Date next following AUL's written approval of the GIB. All of the conditions to GIB included in this section will apply once the GIB becomes effective.]

SECTION 4 - CHANGES IN INSURANCE

[COVERAGE AMOUNTS REQUESTED IN EXCESS OF THE GUARANTEED INCREASE IN BENEFIT

During Scheduled Enrollment Periods, a Person may apply to increase an amount greater than the GIB, however, receipt of any amount above the GIB will first require Evidence of Insurability and information satisfactory to AUL. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If coverage is approved, coverage will begin on the date identified and approved in writing by AUL.

If coverage for a Participant is declined following unsatisfactory Evidence of Insurability, no GIB will be available until Evidence of Insurability and information satisfactory to AUL is received. Until the GIB is approved, only the amount of coverage previously approved by AUL will be available.]

SECTION 4 - CHANGES IN INSURANCE

Refer to **LIFE EVENT BENEFIT** and **REDUCTIONS** in the Schedule of Benefits to determine applicable class(es) or option(s).

[LIFE EVENT BENEFIT (LEB)]

[A Person may request an additional amount of coverage] [or] [a Late Enrollee may request Lump Sum Disability Insurance coverage] without Evidence of Insurability, if all the following conditions are met:

- 1) The [Person] [or] [Late Enrollee] experienced one of the following Life Events:
 - a) marriage;
 - b) birth of a child;
 - c) adoption of a child or stepchild; or
 - d) permanent legal custody or guardianship of a child lasting more than [90] days;
- 2) AUL was notified within 31 days of the Life Event;
- 3) the [Person] [or] [Late Enrollee] must be under age [60-90];
- 4) the [Person] [or] [Late Enrollee] must be Actively at Work on the effective date of the increase;
- 5) The amount of the LEB increase is offered in the Schedule of Benefits.
- 6) the amount of coverage after the increase is not greater than the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits;
- 7) the [Person] [or] [Late Enrollee] has not previously been declined; and
- 8) the [Person] [or] [Late Enrollee] applying for a LEB amount that exceeds the Maximum Lump Sum Disability Benefit Amount, will be limited to the Maximum Lump Sum Disability Benefit Amount.

A [Person] [or] [Late Enrollee] may be eligible for a LEB for each Life Event when events are simultaneous. For simultaneous LEB events, the increased amount for each event will be based on the coverage amount prior to the LEB events and the amount of each increase will be equal. However, the amount of coverage after the increase will not be greater than the maximum amount of coverage available to the [Person] [or] [Late Enrollee].

The LEB will be reduced according to the Reductions as stated in the Schedule of Benefits. In no event will the total amount of coverage including any LEB exceed the Maximum Lump Sum Disability Benefit stated in the Schedule of Benefits.

If a Participant declines coverage during the Initial Enrollment Period and wants to apply at a later Scheduled Enrollment date, receipt of any coverage first requires Evidence of Insurability and information satisfactory to AUL unless the Participant has a qualifying Life Event. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If coverage is approved, coverage will begin on the date identified in writing by AUL. If the Participant is approved for coverage during the Scheduled Enrollment, he will be eligible to request the LEB when a Life Event occurs.

[If coverage for a Late Enrollee is declined following unsatisfactory Evidence of Insurability, no LEB will be available until Evidence of Insurability and information satisfactory to AUL is received. Approval will be based on Evidence of Insurability and information satisfactory to AUL. If the LEB request is approved, coverage will begin on the date identified in writing by AUL.]

SECTION 5 - TERMINATIONS

INDIVIDUAL TERMINATION: A Person will cease to be insured on the EARLIEST of the following dates:

- 1) the date this policy or the Policyholder's coverage under this policy terminates;
- 2) the [date][end of the Coverage Month following the date] the Person is no longer in an eligible class;
- 3) the date the Person's class, as stated in the Schedule of Benefits, is no longer insured under this policy;
- 4) the last day of the period for which premiums were paid, if the premium is not paid when due;
- 5) the date the Person requests termination, but not prior to the date of the request;
- 6) the date the Lump Sum Disability Benefit is paid to the Person;
- 7) the date the Person dies;
- 8) the [end of the Coverage Month following the date][date] employment terminates. **Cessation of Active Work will be deemed termination of employment.** However, insurance will be continued for a Person:
 - a) during the Elimination Period, if the Person is Disabled, as described in this policy;
 - b) during the Benefit Eligibility Period, if the Person is Disabled, as described in this policy; and
 - c) [during any period that premiums are being waived under the Waiver of Premium provision[.]]; and
 - d) during any temporary Leave of Absence according to the appropriate Continuation of Personal Insurance benefit, if premiums continue to be paid during the leave and the benefit was elected by the Policyholder in the Application and approved by AUL[.]]; and
 - e) during any temporary layoff according to the appropriate Continuation of Personal Insurance benefit, if premiums continue to be paid during the layoff and the benefit was elected by the Policyholder in the Application and approved by AUL[.]]; and
- 9) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.]

TERMINATION OF THE POLICY: Insurance coverage under this policy will cease on the EARLIEST of the following dates:

- 1) the date the Policyholder no longer meets the definition of a Policyholder;
- 2) the date the Policyholder ceases active business operations, becomes insolvent, or is placed in bankruptcy or receivership;
- 3) the date the Policyholder ceases to exist by means of transfer of ownership, transfer of control, sale, dissolution, merger, consolidation, acquisition, or otherwise;
- 4) the date ending the Policy Month for which the last premium payment is made for the Policyholder's insurance;
- 5) at the end of a Policy Month, provided that AUL has given at least [31 days] days prior written notice to the Policyholder;
- 6) at the end of a Policy Month, if the Policyholder has given AUL at least [31 days] prior written notice;
- 7) the date the Policyholder fails to promptly furnish any information which AUL may reasonably require; or
- 8) the date the Policyholder, without good and sufficient cause, fails to perform in good faith its duties pertaining to this policy.

If a Person's insurance is terminated due to the termination of this policy, the Person's rights under this policy are terminated on the date this policy terminated.

Termination of this policy under any conditions will be without prejudice to AUL for any claim incurred prior to termination.

If this policy terminates, the Policyholder will be liable to AUL for all unpaid premiums for the period during which the coverage was in force.

SECTION 5A - INDIVIDUAL REINSTATEMENT

Refer to **INDIVIDUAL REINSTATEMENT** in the Schedule of Benefits to determine applicable class(es) or option(s).

INDIVIDUAL REINSTATEMENT: If Personal Insurance terminates under this policy due to cessation of Active Work for the Policyholder, it may be reinstated subject to the terms of this provision. Individual Reinstatement must be requested during the [31-day] period immediately following return to Active Work for the Policyholder in accordance with the terms stated in this provision. Individual Reinstatement will be for the same coverage amount and eligible class that the Participant belonged to immediately prior to his termination. AUL may require Evidence of Insurability if reinstatement is requested for an amount or eligible class that differs from the coverage the Participant had with the Policyholder immediately prior to his cessation of Active Work. Reinstatement is subject to payment of required premiums and that the Policyholder is currently insured by AUL under this policy. In addition to these requirements, the following also applies:

- 1) If a Participant returns to Active Work within the period of consecutive calendar days as stated in the Schedule of Benefits under Individual Reinstatement from his individual termination date and requests Individual Reinstatement:
 - a) Personal Insurance will become effective immediately upon the date of request for Individual Reinstatement, or the first day of the Coverage Month immediately following the date of request for Individual Reinstatement, as stated in the Schedule of Benefits.
 - b) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class held by the Participant under this policy immediately prior to cessation of Active Work.
 - c) *[If the Schedule of Benefits states that the Participant must return to Active Work within [30, 60, 90, 120, 150, 180] days of termination:* Credit will be given towards satisfaction of the eligibility Waiting Period and of the Pre-Existing Condition exclusion or limitation period he previously served under this policy. However, any days accumulated during his period of lapse in coverage will not be credited. The original Individual Effective Date of Insurance will be used when applying the eligibility Waiting Period and the Pre-Existing Condition exclusion or limitation period.] or
 - d) *[If the Schedule of Benefits states that the Participant can return to Active Work for a period greater than [30, 60, 90, 120, 150, 180] days from the Participant's date of termination:* Credit will be given towards satisfaction of the eligibility Waiting Period he previously served under this policy. However, any days accumulated during his period of lapse in coverage will not be credited. The Participant will be considered a New Participant and subject to the terms of this policy, except as stated herein.]
- 2) If a Participant returns to Active Work more than the number of consecutive calendar days, shown in 1) above, after his individual termination date and requests Individual Reinstatement:
 - a) The Participant will be considered a New Participant subject to the terms of this policy.
 - b) Eligibility for Personal Insurance, Enrollment and his Individual Effective Date Of Insurance will be determined as stated in this policy.
 - c) The Waiting Period and Pre-Existing Condition exclusion or limitation period will start anew. The Individual Reinstatement date will be used when applying the Pre-Existing Condition exclusion or limitation period.
- 3) If the Participant is currently insured under this policy's Portability Privilege and returns to Active Work with the Policyholder and requests Individual Reinstatement to this policy:
 - a) Personal Insurance will become effective [immediately upon the date of request for Individual Reinstatement] [the first day of the Coverage Month immediately following the date of request for Individual Reinstatement], as stated in the Schedule of Benefits.
 - b) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class held by the Participant under this policy immediately prior to cessation of Active Work.
 - c) Credit will be given towards satisfaction of the Pre-Existing Condition exclusion or limitation period he already served under this policy and the Portability Privilege. The Participant's original Individual Effective Date of Insurance will be used when applying the Pre-Existing Condition exclusion or limitation period.
 - d) Coverage under the Portability Privilege must terminate immediately prior to the date of Individual Reinstatement under this policy.

SECTION 5A – INDIVIDUAL REINSTATEMENT

- 4) If Personal Insurance terminates because of a leave approved by the Policyholder under the Federal Family and Medical Leave Act (FMLA), or similar applicable state law, and the Participant returns to full-time Active Work immediately following the end of the leave:
 - a) Personal Insurance will become effective immediately upon the date of request for Individual Reinstatement.
 - b) Credit will be given towards satisfaction of the Pre-Existing Condition exclusion or limitation period previously served under this policy, however, the days accumulated during the period of lapse in coverage will not be credited. The original Individual Effective Date of Insurance will be used when applying the Pre-Existing Condition exclusion or limitation period.
 - c) Evidence of Insurability will not be required for Individual Reinstatement to the same coverage amount and eligible class that the Participant would have been entitled to prior to the leave.
- 5) [If Personal Insurance terminates because a Person becomes a full-time member of the armed forces of the United States and he returns to full-time Active Work, the Person's coverage may be reinstated if required under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and applicable state law.]

**SECTION 5B – CONTINUATION OF PERSONAL INSURANCE
UNDER THE FAMILY AND MEDICAL LEAVE ACT**

*[Refer to **CONTINUATION OF PERSONAL INSURANCE UNDER FMLA** in the Schedule of Benefits to determine applicable class(es) or option(s).*

CONTINUATION OF PERSONAL INSURANCE UNDER THE FAMILY AND MEDICAL LEAVE ACT. If the Policyholder correctly approves a leave of absence under the Federal Family and Medical Leave Act (FMLA), a Person's coverage under this policy will be continued as stated in this Section. Personal Insurance will continue while a Person's leave is covered under FMLA, until the end of the later of:

- 1) the leave period permitted under FMLA or
- 2) the leave period permitted by applicable state law.

Coverage continued under this Section is subject to the following requirements:

- 1) the Policyholder has approved a Person's leave in writing as a leave taken under FMLA;
- 2) applicable premiums must continue to be paid to AUL in accordance with this policy (see Section 6 – PREMIUM PAYMENT); and
- 3) the Lump Sum Disability Amount will be the amount in effect prior to the date the Person's family or medical leave began.

Continuation of Personal Insurance under this provision will cease on the EARLIEST of the following:

- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date this policy terminates;
- 5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under this policy;
- 7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
- 8) the date a Person requests termination of coverage under this policy, but not prior to the date of request;
- 9) the date the Lump Sum Disability Benefit is paid to the Person[.]; or
- 10) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.]

All terms and conditions of this policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under this policy.]

**SECTION 5C - CONTINUATION OF PERSONAL INSURANCE
DURING A [LEAVE OF ABSENCE][AND][TEMPORARY LAYOFF]**

*[Refer to **CONTINUATION PERSONAL INSURANCE DURING A LEAVE OF ABSENCE [and TEMPORARY LAYOFF]** in the Schedule of Benefits to determine applicable class(es) or option(s).*

LEAVE OF ABSENCE references in this Section means the Person is absent from Active Work for a temporary period of time that has been agreed to in advance and in writing by the Policyholder[.] [and includes temporary layoffs unless otherwise stated.]

[CONTINUATION OF PERSONAL INSURANCE WHILE TEMPORARILY LAID OFF. If the Policyholder approves a temporary layoff, a Person's coverage under this policy will be continued [to the end of the Coverage Month following the month in which the layoff begins] [to the end of the [60][90][120][150][180]-day period from date the Person's layoff began], as long as premiums continue to be paid to and received by AUL, subject to same requirement as a Leave Of Absence.]

[CONTINUATION OF PERSONAL INSURANCE UNDER A LEAVE OF ABSENCE: If the Policyholder approves a Leave of Absence, a Person's coverage under this policy will be continued [to the end of the Coverage Month following the month that a Person begins a Leave of Absence,][to the end of the [60][90][120][150][180]-day period from the date the Person begins a Leave of Absence] as long as premiums continue to be paid to and received by AUL, subject to the following requirements:

- 1) the Policyholder has approved a Person's Leave of Absence in writing;
- 2) applicable premiums must continue to be paid to AUL in accordance with this policy (see Section 6 – PREMIUM PAYMENT); and
- 3) the Lump Sum Disability Benefit will be the amount in effect prior to the date the Person's Leave of Absence began.]

Continuation of Personal Insurance under this provision will cease on the EARLIEST of the following:

- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date this policy terminates;
- 5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under this policy;
- 7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
- 8) the date a Person requests termination of coverage under this policy, but not prior to the date of request;
- 9) the date the Lump Sum Disability Benefit is paid to the Person[.]; or
- 10) the date a Person enters active military service for any country, except for temporary duty of 30 days or less.]

All terms and conditions of this policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under this policy.]

**SECTION 5D – CONTINUATION OF PERSONAL INSURANCE
DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE**

*[Refer to **CONTINUATION OF INSURANCE DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE** in the Schedule of Benefits to determine applicable class(es) or option(s).*

LEAVE OF ABSENCE means the Person is absent from Active Work for a temporary period of time that has been agreed to in advance in writing by the Policyholder.

CONTINUATION OF PERSONAL INSURANCE DURING A LEAVE OF ABSENCE FOR ACTIVE MILITARY SERVICE: If the Person is on a leave of absence for active military service as described under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and applicable state law, the Person's coverage may be continued until the later of:

- 1) the length of time the coverage may be continued under this policy for an FMLA leave of absence; or
- 2) the length of time the coverage may be continued under this policy for a Leave of Absence other than an FMLA leave of absence.

Coverage continued under this Section is subject to the following requirements:

- 1) applicable premiums must continue to be paid to and received by AUL in accordance with this policy (see Section 6 - PREMIUM PAYMENT); and
- 2) the Lump Sum Disability Benefit will be the amount in effect prior to the date the Person's Leave of Absence For Active Military Service began.

Continuation of Personal Insurance under this provision will cease on the earliest of the following:

- 1) the date a Person dies;
- 2) the date a Person's coverage terminates for nonpayment of premiums;
- 3) the date a Person begins full or part-time employment with another employer;
- 4) the date this policy terminates;
- 5) the date a Person notifies the Policyholder that he will not be returning to Active Work;
- 6) the date a Person's class is no longer offered under this policy;
- 7) the date a Person no longer qualifies for a Leave of Absence or participation in an eligible class, as stated in the Schedule of Benefits;
- 8) the date a Person requests termination of coverage under this policy, but not prior to the date of request; or
- 9) the date the Lump Sum Disability Benefit is paid to the person.

All terms and conditions of this policy will apply during the approved continuation period provided under this Section, unless otherwise stated. While Personal Insurance is being continued under this Section, the Person will be considered exempt from the requirements listed below:

- 1) the Actively At Work definition; and
- 2) the applicable number of hours needed to meet the requirement for full-time Participant, as stated in the Schedule of Benefits.

If the Policyholder has approved more than one type of Leave of Absence for the Person during any one period, AUL will consider such leaves to be concurrent for the purpose of determining how long the Person's coverage may continue under this policy.]

SECTION 6 - PREMIUM PAYMENT

PREMIUM PAYMENTS: As provided in the Application, the Policyholder is responsible for properly and accurately paying premium to AUL on or before the Due Date. All premiums will be calculated and paid in U.S. dollars. At the request of the Policyholder and AUL's written approval, the interval of premium payments may be changed.

Overpayment of premium will not result in increases in any coverage amounts or additional benefits for the Policyholder or Person. If a Person has Contributory Insurance, premiums paid by the Person may be paid by means of payroll deduction administered by the Policyholder.

Premiums for a Person's coverage under this policy shall be owed beginning on the Person's Individual Effective Date of Insurance. Premiums will cease to be owed on the Person's individual termination date. However, premiums will continue to be owed if the Person is Disabled on his individual termination date. Premiums will continue to be owed until the date they are waived according to the Waiver of Premium provision.

Each premium payment will include adjustments in past premiums for changes that have not previously been taken into account. Payment of any premium does not maintain the insurance in force beyond the end of the period for which it has been paid. Each premium payment is owed to AUL on or before its Due Date.

The above manner of charging premiums applies only to a Person's insurance that is terminating, but not the termination of this policy. Each premium payment will include adjustments in past premiums for changes that have not previously been taken into account.

PREMIUM RATES: AUL reserves the right to change premium rates on any date:

- 1) after the Policyholder's coverage has been in effect for [one (1) year][two (2) years][three (3) years][four (4) years], [five (5) years] or as stated in the Application, by giving prior written notice to the Policyholder at least [31 days] before the effective date of the change;
- 2) the eligibility or benefit provisions are changed;
- 3) the number of Persons insured under this policy changes by [10%] or more;
- 4) a division, unit, subsidiary or affiliate is added to, or deleted from, the Policyholder's coverage under this policy.
- 5) if the age or any other fact that affects the benefits for a Person or Policyholder has been misstated or
- 6) there is a change in existing laws which affects the coverage offered under this policy

*The following definitions of Waiver of Premium will be used based on **PARTICIPANT CONTRIBUTION** selection:*

[**WAIVER OF PREMIUM BENEFIT:** *Non-contributory option:* Premium payments will be waived for a Disabled Person immediately following 12 weeks of Disability] [*Contributory option:* Premium payments for a Disabled Person will be waived the first Date of Disability] and will continue to be waived during the Elimination Period and Benefit Eligibility Period. If a Disabled Person returns to work before the end of his Elimination Period or his Benefit Eligibility Period, his premium payments will resume, but he will not be required to repay the waived premiums.

Premiums for coverage under this policy will be waived as described in this provision, providing the Lump Sum Disability Benefit is paid by AUL.]

SECTION 7 – GENERAL POLICY PROVISIONS

AGENCY: For all purposes of this policy, the Policyholder acts on behalf of itself or as agent for the Person. Under no circumstances will the Policyholder be deemed the agent of AUL.

AMENDMENT AND CHANGES: This policy may be amended in writing by mutual agreement between the Policyholder and AUL, but without prejudice to any loss incurred prior to the effective date of the amendment. No change in this policy is valid until approved in writing by the Chief Executive Officer, President, or Secretary of AUL. No agent has the authority to approve coverage, change this policy or waive any of its provisions.

ASSIGNMENT: No assignment of any present or future right or benefit under this policy will bind AUL without its prior written consent and when permitted under applicable laws.

CERTIFICATES: AUL will issue a certificate for delivery by the Policyholder to the insured Persons. The certificate will summarize the Person's coverage under this policy and will state:

- 1) the benefits provided; and
- 2) to whom the benefits are payable.

If there is any discrepancy between the provisions of any marketing materials, plan documents, certificate, and the provisions of this policy, the provisions of this policy will govern.

CLERICAL ERROR: Clerical error on the part of the Policyholder or AUL will not invalidate insurance otherwise in force nor continue insurance otherwise terminated.

CONFORMITY WITH STATE LAWS: Any provision of this policy in conflict with the laws of the state in which it is delivered is amended to conform to the minimum requirements of those laws.

DATA AND RECORDS: The Policyholder must promptly furnish all information that AUL reasonably requires. The Policyholder must furnish all relevant information to AUL about Persons:

- 1) who qualify to become insured or are eligible for benefits;
- 2) whose amounts of insurance change; and/or
- 3) whose insurance terminates.

At any reasonable time, AUL or its representatives shall have the right to inspect the records of the Policyholder that, in the opinion of AUL, may have a bearing on the insurance coverage provided under this policy.

[DISCRETIONARY AUTHORITY: Benefits under this policy will be paid only if AUL (or its third party administrator) decides in its discretion that the Person is entitled to them. Except for the functions this policy explicitly reserves to the Policyholder, AUL reserves the right to:

- 1) manage this policy and administer claims under it; and
- 2) interpret the provisions and resolve any questions arising under it.

AUL's (or its third party administrator) authority includes, but is not limited to, the right to:

- 1) establish and enforce procedures for administering this policy and claims under it;
- 2) determine Participants' eligibility for insurance and entitlement to benefits;
- 3) determine what information AUL reasonably requires to make such decisions; and
- 4) resolve all matters when a claim review is requested.

Any decision that AUL (or its third party administrator) makes, in the exercise of its authority, will be conclusive and final subject to any rights under the Employee Retirement Income Security Act (ERISA). This provision applies only where the interpretation of this policy is governed by ERISA. AUL may delegate some or all of its rights under this Discretionary Authority provision to another person or entity, and AUL hereby desires to share with and delegate rights under this provision to its third party administrator.]

SECTION 7 – GENERAL POLICY PROVISIONS

ENTIRE CONTRACT: This policy, the application forms of the Persons, the Application of the Policyholder, and any amendments made from time to time constitute the entire contract.

GRACE PERIOD: If the Policyholder or AUL does not give notice in writing that coverage under this policy is to be terminated, a grace period of [31 days] will be granted for the payment of any premium owed after the first premium Due Date. During the grace period, this policy will continue in force but will automatically terminate on the last day of the Grace Period. The Policyholder is liable to AUL for payment of premiums for the days of grace during which this policy remains in force. AUL is not obligated to pay claims incurred during the grace period until the premium owed is received.

[INSURANCE FRAUD: AUL wants to ensure that its customers do not incur additional insurance costs as a result of the act of insurance fraud. Applicable state laws require AUL to undertake measures to detect, investigate and prosecute fraud.

Anyone that knowingly completes an application for insurance or statement of claim containing any materially false information or facts, with the intent to deceive, conceal or mislead is committing a fraudulent insurance act. This is a crime and may subject that Person to criminal and civil penalties.]

MISSTATEMENT OF FACTS: If the age or any other fact that affects the benefits for a Person or Policyholder has been misstated, the benefits will be payable based on the true facts. Premium adjustment will be made so that AUL will receive the actual premium required based on the true facts.

RELATIONSHIP: AUL and the Policyholder are, and will remain, independent contractors. Nothing in this policy or the Application shall be construed as making the parties joint ventures or as creating a relationship of employer and Participant, master and servant or principal and agent. Neither party has any power, right or authority to bind the other or to assume or create any obligation or responsibility on behalf of the other. AUL and the Policyholders each retain exclusive control of their time and methods to perform their respective duties. AUL and the Policyholder will employ, pay and supervise their own employees and pay their own expenses. The Policyholder is required to familiarize itself with all relevant state and federal laws including applicable banking, MEWA, plan sponsor, plan administrator, and fiduciary laws. Any violation of federal or state law will require Policyholder to reimburse AUL for any and all damages or fines imposed on AUL as well as AUL's reasonable attorney's fees incurred due to Policyholder's violations and/or any violations incurred by any representative of Policyholder, in which AUL is made party thereof.

STATEMENTS MADE IN AN APPLICATION: All statements made by the Policyholder, or insured Persons shall be deemed representations and not warranties. No such statements will be used to reduce or deny any claim or to cancel the Person's coverage unless:

- 1) the statement is in writing; and
- 2) a copy of that statement is given to the Person or his Survivor.

SECTION 7 – GENERAL POLICY PROVISIONS

INCONTESTABILITY: The validity of this policy may not be contested, except in the case of fraud or for nonpayment of premiums, after this policy has been in force for two years after its date of issue, and other than a misrepresentation of a material fact, no statement made by a Policyholder or a Person relating to his insurability may be used in contesting the validity of the insurance with respect to which the statement was made, unless: (1) the insurance has not been in force for a period of two years or longer; or (2) the statement is contained in a written instrument signed by the Person. However, AUL is not precluded from asserting at any time any defenses based upon provisions in this policy relating to eligibility for coverage. All statements made by a Policyholder or a Person are to be deemed representations and not warranties, and that other than a misrepresentation of a material fact no statement made by any Person may be used in any contest unless a copy of the instrument containing the statement is or has been furnished to the Person or, in the event of death or incapacity of the Person, to the Person's personal representative.

WORKER'S COMPENSATION AND WORKMEN'S COMPENSATION NOT AFFECTED: This policy is not in lieu of, and does not affect any requirement for coverage by Worker's or Workmen's Compensation Insurance.

SECTION 7A – CLAIM PROCEDURES

INITIAL NOTICE OF DISABILITY: Written notice of Disability must be given to AUL within [90] days after the Elimination Period ends. If written notice cannot be made during this time period due to an Act of God or force majeure event, AUL must be notified as soon as it is reasonably possible to do so. Written notice should contain sufficient information to identify the Person. Notices are not considered given until received by AUL at its Home Office in Indianapolis, Indiana or by one of its Claims offices.

CLAIM FORMS FOR PROOF OF LOSS: Upon receipt of the Initial Notice of Disability, AUL will furnish the Policyholder with any necessary claim forms to be given to the Person. These forms must be properly, accurately and truthfully completed and returned to AUL. If, for any reason, the Person does not receive a claim form within [15 days] of request, the Person should submit written proof of Disability. The initial claim form or proof of Disability must show:

- 1) claimant's name;
- 2) Employer's name and address;
- 3) Policy number;
- 4) the date Disability started;
- 5) the cause of Disability; and
- 6) the nature and extent of the Disability.

The initial claim form or proof of Disability must be signed by a Physician and sent to AUL within 90 calendar days of the Benefit Eligibility Period. If it is not possible to give proof within these limits, it must be given as soon as reasonably possible. Proof of claim may not be given later than twelve (12) months after the time proof is otherwise required, except in the absence of legal capacity.

AUL will also periodically send the Person additional claim forms or requests for information necessary to determine eligibility for benefits under this policy. These subsequent claim forms and requests for information must be returned to AUL within [30 days] after the Person receives them.

LEGAL ACTION: No legal action may be brought to obtain benefits or a refund of premium paid under this policy:

- 1) for at least [60 days] after proof of loss or entitlement to a premium refund has been furnished; [or]
- 2) [before any denial or reduction of benefits by AUL has been appealed properly in writing; or]
- 3) no action may be brought after [three (3) years] following the expiration of the time within which proof of loss or entitlement to a premium refund is required by the Policyholder.

TIME OF PAYMENT OF CLAIMS: When AUL receives a claim form or proof of Disability, benefits for which AUL is liable under this policy will be paid.

PAYMENT OF CLAIMS: All benefits are payable to a Person. If a Person dies before a benefit to which he was entitled is paid, AUL has the right to pay the Survivor. If AUL pays benefits in good faith to a person who it considers entitled to such benefits or without notice of closer kinship, then AUL will have no obligation to pay such benefits again. The Lump Sum Disability Benefit Amount will be calculated and paid in United States dollars. All claim payments will be made in compliance with ERISA or in accordance with applicable state laws.

SECTION 7A – CLAIM PROCEDURES

[RIGHT TO APPEAL: If a Person wishes to appeal AUL's decision, claimants are allowed 180 days following receipt of a notification of an adverse benefit determination within which to appeal the determination. Claimants are allowed the opportunity to submit written comments, documents, records and other information relating to the claim for benefits. The claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits. Whether a document, record or other information is relevant to a claim for benefits shall be determined by reference to paragraph (m)(8) of 29 C.F.R. § 2560.503-1. AUL's review will take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. A claimant has a right to obtain the information about any voluntary appeal procedures offered by the plan described in paragraph (c)(3)(iv) of 29 C.F.R. § 2560.503-1 and has a right to bring an action under section 502(a) of ERISA. A final determination will be provided pursuant to 29 C.F.R. § 2560.503-1.]

[ARBITRATION: Any controversy or claim arising out of or relating to this policy, the sale or solicitation of this policy, or its breach thereof whether in tort, contract, breach of duty (including but not limited to) any alleged fiduciary, good faith and fair dealing duties, shall be decided by arbitration in accordance with the Federal Arbitration Act, the procedures of the commercial arbitration rules of the American Arbitration Association, and this agreement. The Court of Arbitrators, which is to be held in the county seat where the Person resides, shall consist of three (3) arbitrators familiar with employee welfare benefit plans. The selection of the arbitrators shall be conducted within thirty (30) days after proper service of a demand for arbitration. One of the arbitrators shall be appointed by AUL, one by the insured, and the third shall be selected by the first two appointees prior to the beginning of arbitration. Should the two arbitrators be unable to agree upon the choice of a third, the appointment shall be left to the President or any Vice President of the American Arbitration Association. The arbitrators shall decide by a majority of votes, the award shall be in writing, the decision shall be signed by a majority of the arbitrators, and they shall include a statement regarding the reasons for the disposition of any claim. Judgment on the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The parties are not precluded from challenging the decision under the Federal Arbitration Act or applicable law. Unless not allowed under applicable law, each party shall bear the expense of its own attorney and arbitrator, and shall share equally with the other party the expenses of the third arbitrator and of the arbitration.

The parties agree that AUL is engaged in interstate commerce, and the transaction is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16.

Consistent with the expedited nature of arbitration, each party will, upon the written request of the other party, promptly provide the other with copies of documents relevant to the issues raised by any claim or counterclaim on which the producing party may rely in support of or in opposition to any claim or defense. Any dispute regarding discovery, or the relevance or scope thereof, shall be determined by the arbitrator(s), which determination shall be conclusive. All discovery shall be completed within sixty (60) days following the appointment of the arbitrator(s) or longer following mutual agreement by the parties.]

SECTION 7A – CLAIM PROCEDURES

[RIGHT OF RECOVERY: If benefits have been received for which the Person was not entitled to receive under this policy, then full reimbursement to AUL is required. Such reimbursement is required whether the overpayment is due to intentional or innocent misrepresentations by the Person, intentional or innocent misrepresentations by an entity supplying AUL with information, a claims processing error or miscalculation by AUL or for any other reason. If reimbursement is not made, then AUL has the right, as allowed under law to:

- 1) reduce future benefits or any amounts payable under all other AUL insurance contracts insuring the Person until full reimbursement is made, and
- 2) recover such overpayments from the Person or his estate.

If AUL chooses not to use benefit payments towards the reimbursement, this will not constitute a waiver of AUL's rights to reimbursement. This provision will be in addition to, and not in lieu of, any other compensation available to AUL by law.]

SECTION 8 - INSURING PROVISIONS

LUMP SUM DISABILITY BENEFIT: AUL will pay a Lump Sum Disability Benefit to the Person according to the terms of this policy if, while insured under this policy, a Person:

- 1) satisfies the Elimination Period;
- 2) becomes Permanently and Totally Disabled during the Benefit Eligibility Period; and
- 3) submits the required proof that he is Permanently and Totally Disabled within 90 days of the end of the Benefit Eligibility Period.

The Lump Sum Disability Benefit Amount shown in the Schedule of Benefits is payable to the Person once and will be subject to Reductions and other provisions of this policy.

The Lump Sum Disability Benefit Amount will never exceed the Maximum Lump Sum Disability Benefit Amount stated in the Schedule of Benefits.

PHYSICAL EXAMINATION: AUL, at its own expense, has the right to have a Person examined and evaluated to determine the existence of and basis for any Disability. This right may be exercised as often as is reasonably necessary, as determined by AUL, and must be performed by a Physician of AUL's choice.

The Lump Sum Disability Benefit will NOT be payable if:

- 1) the Person dies during the Elimination Period;
- 2) the Person becomes Permanently and Totally Disabled after the last day of the Benefit Eligibility Period;
- 3) the Person is working;
- 4) the Person fails to submit the required claim forms for proof of loss within 90 days of the Benefit Eligibility Period;
- 5) the Person refuses to allow an examination requested by AUL;
- 6) the Person is no longer under the Regular Attendance and care of a Physician;
- 7) the Person leaves the United States or Canada and establishes his residence in any other country. A Person will be considered to reside outside these countries when the Person has been residing outside the United States or Canada during the Elimination Period or Benefit Eligibility Period; or
- 8) the Person has a been paid a Lump Sum Disability Benefit under this policy.

RECURRENT RETURN TO WORK PERIOD: As long as the Policyholder's coverage remains in force with AUL, if a Person resumes his [Regular Occupation][Regular Job] for the Policyholder on a full-time basis, and performs each Material and Substantial Duty of that occupation for less than the Return to Work Period during the Benefit Eligibility Period (both of which are shown on the Schedule of Benefits), the Disability will be part of the prior period of Disability. Days the Person returns to work for the same Policyholder will not extend the Benefit Eligibility Period. The Disability must be the direct result of the Injury or Sickness that caused the prior Disability. A Person will not have to complete a new Elimination Period. The Lump Sum Disability Benefit will be subject to the terms of this policy for the prior Disability.

If, after the period of Disability as stated in the preceding paragraph, a Person resumes his [Regular Occupation][Regular Job] for the Policyholder on a full-time basis for more than the return to work period as shown on the Schedule of Benefits, any further Disability will be part of a new period of Disability and a new Elimination Period must be completed before a Person may qualify for a Lump Sum Disability Benefit.

ACCUMULATION OF ELIMINATION PERIOD: If a Person satisfies the number of days in the Elimination Period within a period of time that is two times the Elimination Period, then that Disability will be treated as continuous as long as the Policyholder's coverage remains in force with AUL.

SECTION 8 - INSURING PROVISIONS

DEATH OF A PERSON: If a Person dies after qualifying for, but before receiving, the Lump Sum Disability Benefit, the full Lump Sum Disability Benefit Amount will be payable to the Person's Survivor.

[10%-100%] of the Lump Sum Disability Benefit Amount owed after applicable Reductions may be paid to the Survivor if:

- 1) prior to his death, the Person had satisfied the Elimination Period;
- 2) prior to his death the Person was Disabled;
- 3) the Person died during the Benefit Eligibility Period but before satisfying the conditions of Permanent and Total Disability; and
- 4) the Person's death due to complications or was caused by the Person's Disability.

All the General Exclusions pertaining to a Disability listed in Section 9 – EXCLUSIONS would apply.

SECTION 9 - EXCLUSIONS

GENERAL EXCLUSIONS: This policy does not cover any Disability or provide any benefits for a loss caused by, contributed to by, or resulting from:

- 1) participation in war or any act of war, declared or undeclared;
- 2) active participation in a riot;
- 3) attempted suicide, regardless of mental capacity;
- 4) attempted or actual self-inflicted bodily injury or self destruction, including but not limited to the voluntary inhaling or taking of:
 - a) a prescription drug in a manner other than as prescribed by a Physician;
 - b) any federal or state regulated substance in an unlawful manner;
 - c) non-prescription medicine in a manner other than as indicated in the printed instructions;
 - d) poison; and
 - e) toxic fumes;
- 5) commission of or attempt to commit a criminal act under relevant state law;
- 6) Cosmetic Surgery. However, Cosmetic Surgery will be covered when it is due to:
 - a) reconstructive surgery incidental to, or follows surgery resulting from, trauma, infection or other diseases of the involved part; or
 - b) congenital disease or anomaly that has resulted in a functional defect;
- 7) a Person being legally intoxicated as defined by the law of the jurisdiction in which the incident occurs;
- 8) any event that occurs while a Person is incarcerated in a penal or correctional institution;
- 9) participation in voluntary asphyxiation;
- 10) traveling or flying on any aircraft being used for experimental purposes; or
- 11) engaging in any illegal or fraudulent activity, work, or employment.

PRE-EXISTING CONDITION EXCLUSION: *Tailored to the option chosen in the Schedule of Benefits and will apply to that Policyholder. Refer to **PRE-EXISTING EXCLUSION CONDITION DURATION** in the Schedule of Benefits to determine duration by class(es) and option(s).*

[Benefits will not be paid if the Person's Disability begins in the first [5 days,][3, 6, 12 or 24 months] following the Person's Individual Effective Date of Insurance; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [30 days][3, 6, or 12 months] just prior to the Person's Individual Effective Date of Insurance[.][; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [30 days] [3, 6 or 12 months] just prior to the Person's Individual Effective Date of Insurance.]]

Treatment Free Period options:

[Benefits will not be paid if the Person's Disability begins in the first [3, 6, 12, or 24 months] following the Person's Individual Effective Date of Insurance; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:][

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [30 days][3, 6 or 12 months] just prior to the Person's Individual Effective Date of Insurance; [or][and]
- 2) [the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [30 days] [3, 6 or 12 months] just prior to the Person's Individual Effective Date of Insurance; and]
- 3) the Person was not Treatment Free for [3, 6, 12, or 24] consecutive months after the Person's Individual Effective Date of Insurance.]]

SECTION 9 - EXCLUSIONS

[When this policy is replacing a Prior Plan of Franchise Coverage, the preceding Pre-Existing Condition Limitation provision will not apply to a Person:

- 1) who is listed on the prior carrier's billing statement for Franchise Coverage for the month prior to the Policyholder's Effective Date or if the prior carrier premium for the Person's Franchise Coverage is paid to within [90 days] of the Policyholder's Effective Date;
- 2) who requests coverage under this policy when he first becomes eligible for coverage; and
- 3) whose coverage under the Prior Plan terminated.]

SECTION 9 – EXCLUSIONS

[PRE-EXISTING CONDITION EXCLUSION ON AN INCREASED BENEFIT[OR GUARANTEED INCREASE IN BENEFIT]: This provision applies to an increase in Lump Sum Disability Benefit Amount that occurs after the Policyholder's Effective Date.

This policy will not cover the amount of the increase in Lump Sum Disability Benefit Amount if the Person's Disability begins in the first [6, 12, 18, 24, 36] months following the effective date of the increase in coverage; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:]]

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [three (3), six (6), twelve (12)] months just prior to his effective date of increase in amount of insurance[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [three (3), six (6), twelve (12)] months just prior to his effective date of increase in amount of insurance.]]

[PRE-EXISTING CONDITION EXCLUSION ON AN INCREASED BENEFIT WHEN CHANGING CARRIERS: This provision applies to an increase in the Lump Sum Disability Benefit Amount when:

- 1) coverage under this policy replaces a Prior Plan;
- 2) coverage under this policy has a Lump Sum Disability Benefit Amount that is in excess of the Prior Plan; and
- 3) the Pre-Existing Condition Limitation on the Prior Plan was for a period of time of [three (3), six (6), twelve (12)] months or less.

This policy will not cover the amount of the increase in Lump Sum Disability Benefit Amount if the Person's Disability begins in the first [6, 12, 18, 24, 36] months following the Policyholder's Effective Date; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:]]

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [three (3)] months just prior to his effective date of increase in amount of insurance[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [three (3), six (6), twelve (12)] months just prior to the Policyholder's effective date of increase in amount of insurance.]]

[PRE-EXISTING CONDITION EXCLUSION FOR A CHANGE IN OPTIONS: This provision applies when a Person changes options resulting in an increase in coverage after the Policyholder's Effective Date.

This policy will not cover the Person under the new option if the Person's Disability begins in the first [6, 12, 18, 24, 36] months following the Policyholder's Effective Date; and the Person's Disability is caused by, contributed to by, or the result of a condition, whether or not that condition is diagnosed at all or is misdiagnosed, for which[:]]

- 1)]the Person received medical treatment, consultation, care or services, including diagnostic measures, or was prescribed drugs or medicines in the [three (3), six (6), twelve (12)] months just prior to the Change Effective Date of the change in options[.]; or
- 2) the Person had symptoms for which an ordinarily prudent Person would have consulted a Physician in the [three (3), six (6), twelve (12)] months just prior to the Change Effective Date of the change in the option's increase in amount of insurance.]

A Person will be eligible to receive the Lump Sum Disability Benefit Amount previously approved.]]

[SECTION 10 – LIMITATIONS

*[This Section applies when chosen by the Policyholder in the Application. Refer to **DRUG AND ALCOHOL ABUSE LIMITATION** in the Schedule of Benefits to determine if applicable to any class(es) or option(s).*

DRUG AND ALCOHOL ABUSE LIMITATION: The Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to drug and alcohol abuse or a condition caused by or contributed to by drug and alcohol abuse, will be limited to [10%-90%] of the Lump Sum Disability Amount after applicable Reductions.]]

*[This Section applies when chosen by the Policyholder in the Application. Refer to **MENTAL ILLNESS LIMITATION** in the Schedule of Benefits to determine if applicable to any class(es) or option(s).*

MENTAL ILLNESS LIMITATION: The Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to mental illness, will be limited to [10%-90%] of the Lump Sum Disability Amount after applicable Reductions. AUL will not apply the Mental Illness Limitation to a Disability due to dementia if it is a result of:

- 1) stroke;
- 2) trauma;
- 3) viral infection; or
- 4) Alzheimer's disease.]]

*[This Section applies when chosen by the Policyholder in the Application. Refer to **SPECIAL CONDITIONS LIMITATION** in the Schedule of Benefits to determine if applicable to any class(es) or option(s).*

SPECIAL CONDITIONS LIMITATION: Lump Sum Disability Benefit for a Person who is Permanently and Totally Disabled due to a Special Condition , will be limited to [10%-90%] of the Lump Sum Disability Amount after applicable Reductions.

SPECIAL CONDITION means:

- 1) musculoskeletal and connective tissue disorders of the neck and back including any disease or disorder of the cervical, thoracic and lumbosacral back and its surrounding soft tissue including sprains and strains of joints and adjacent muscles, EXCEPT:
 - a) arthritis;
 - b) herniated intervertebral discs;
 - c) scoliosis;
 - d) spinal fractures;
 - e) osteopathies;
 - f) spinal tumors, malignancy, or vascular malformations;
 - g) radiculopathies;
 - h) spondylolisthesis, grade II or higher;
 - i) myelopathies and myelitis;
 - j) demyelinating disease;
 - k) traumatic spinal cord neurosis;
 - l) myofacial pain syndrome;
- 2) chronic fatigue syndrome;
- 3) fibromyalgia;
- 4) carpal tunnel syndrome; or
- 5) environmental allergic illness, including but not limited to sick building syndrome and multiple chemical sensitivity.]]

SECTION 11 - CONTINUITY OF COVERAGE

[Refer to CONTINUITY OF COVERAGE in the Schedule of Benefits to determine applicable class(es) or option(s).]

This Section applies when coverage under this policy:

- 1) replaces a Policyholder's Prior Plan that:
 - a) terminated within 60 days before the Policyholder's Effective Date of coverage under this policy; and
 - b) applies to Persons insured under the Policyholder's Prior Plan on its termination date; or
- 2) replaces a Policyholder's Prior Plan of Franchise Coverage:
 - a) that terminated; and
 - b) applies to Persons insured under the Policyholder's Prior Plan of Franchise Coverage, within [1-90] days before the Policyholder's original Effective Date.

Continuity of Coverage will apply to a Person who would not get coverage under this policy because of the following situations:

- 1) failure of a Person to be Actively At Work due to Disability[,] [or] [an approved Leave of Absence][,] [or temporary layoff] on the Policyholder's Effective Date ; or
- 2) a Pre-Existing Condition limitation or exclusion of this policy, unless replacing a Prior Plan of Franchise Coverage.

BENEFITS FOR A PERSON WHO FAILS TO BE ACTIVELY AT WORK DUE TO DISABILITY

This policy will insure, subject to proper premium payments, a Person who:

- 1) was insured under the Prior Plan on its termination date; and
- 2) is not Actively At Work due to Disability[,] [or] [an approved Leave of Absence][,] [or temporary layoff] on the Policyholder's Effective Date.

Coverage under this provision will begin on the Policyholder's Effective Date and will continue until the EARLIEST of:

- 1) the [end of the month following the]date the Person returns to Active Work; or
- 2) the end of any period of coverage provided under the Prior Plan; or
- 3) the date coverage would otherwise end, according to the provisions of the AUL policy.

The benefits payable will be the lesser of:

- 1) the benefits for which the Person would have been eligible to receive under this policy, if the Person had been Actively at Work; or
- 2) the benefits provided by the Prior Plan, had coverage remained in force,.

This Section of the Continuity of Coverage provision does not establish eligibility for coverage of a Person under this policy. Eligibility can only be met when the Person returns to full-time, Active Work as described in the Eligibility and Individual Effective Date of Insurance Section.]

SECTION 11 - CONTINUITY OF COVERAGE

[BENEFITS PAYABLE FOR PERMANENT AND TOTAL DISABILITY DUE TO A PRE-EXISTING CONDITION
(this section will not apply when this policy is replacing a Prior Plan of Franchise Coverage)]

Benefits may be payable for a Permanent and Total Disability due to a Pre-Existing Condition for a Person who:

- 1) was insured by the Prior Plan on its termination date; and
- 2) has been continuously covered under this AUL policy from the Policyholder's Effective Date through the date the Person's Permanent and Total Disability began.

The benefit payable will be determined by applying this policy's Pre-Existing Condition exclusion. If the Injury or Sickness that causes a Person's Permanent and Total Disability is not excluded under the Pre-Existing Condition exclusion of this policy, then a Person will be paid the Lump Sum Disability Amount.

If the Injury or Sickness which causes a Person's Disability is excluded under the Pre-Existing Condition exclusion of this policy, as shown in the Schedule of Benefits, and such Injury or Sickness is not excluded under the Prior Plan's Pre-Existing Condition exclusion, giving consideration for continuous time covered under both plans, the Person will be paid the lesser of [the following, except the shorter Elimination Period of the two plans will apply]:

- 1) the Lump Sum Disability Amount determined without application of the Pre-Existing Condition exclusion as determined by AUL; or
- 2) the lump sum disability benefits of the Prior Plan.

If the Injury or Sickness is excluded under the Prior Plan's Pre-Existing Condition exclusion, giving consideration for continuous time covered under both Plans, no Lump Sum Disability Amount will be paid.]

[SECTION 12 – PORTABILITY PRIVILEGE]

Refer to **PORTABILITY PRIVILEGE** in the Schedule of Benefits to determine applicable class(es) or option(s).

If a Person's insurance under this policy terminates for any reason other than stated below, the Person is entitled to continue his coverage for [360 days][52 weeks][12 months][1 year] without submission of Evidence Of Insurability. To be eligible for this Privilege, the Person must have been insured under this policy for at least [360 consecutive days][52 consecutive weeks][12 consecutive months][1 year] immediately preceding the Person's individual termination.

This Portability Privilege provides a Lump Sum Disability Benefit Amount equal to [50%] of the coverage the Person had immediately prior to the date of his termination. Any benefits payable under this Section are governed according to the provisions of this policy.

This Portability Privilege is subject to the following:

- 1) written application for Portability must be made within 31 calendar days after termination of insurance under this policy;
- 2) payment of the amount of premium owed;
- 3) the premium is based on the Person's age and the premium rate in effect on the date of application for Portability; and
- 4) the effective date for the Person under the Portability Privilege is the date immediately following the date of his termination.

The Portability Privilege is not available to any Person:

- 1) whose insurance under this policy terminates for any of the following reasons:
 - a) the Person enters a class of Participants that are not eligible for coverage under this policy;
 - b) the Person retires (including, but not limited to, when the Person receives payment from any Employer's Retirement Plan as recognition of past services or has concluded his/her working career); or
 - c) the Person fails to pay any required premiums;
 - d) the Person was paid a Lump Sum Disability Benefit;
- 2) who is or becomes insured for any other coverage similar to the type of coverage provided by this policy within 31 days after termination under this policy;
- 3) who is Disabled under the terms of this policy; or
- 4) who is on Leave of Absence.

Insurance under the Portability Privilege will terminate on the earliest of the following dates:

- 1) the last day for which any required premium has been made;
- 2) the date the Person requests termination, but not prior to the date of the request;
- 3) the last day of a Coverage Month, provided that AUL has given at least [31] days prior written notice to the Person;
- 4) the date the Person retires;
- 5) the date this policy terminates;
- 6) the date the Person enters active military service for any country, except for temporary duty of 30 days or less;
- 7) the date that coverage begins under any other insurance policy that provides coverage similar to coverage provided by this policy;
- 8) the date following [12 months] of coverage;
- 9) the date the Lump Sum Disability Benefit is paid to the Person; or
- 10) the date a Person leaves the United States or Canada and establishes his residence in any other country. A Person will be considered to reside outside these countries when the Person has been residing outside the United States or Canada during the Elimination Period or Benefit Eligibility Period.

COMPLAINT NOTICE

If you have questions about your policy or need assistance with a problem you may contact:

American United Life Insurance Company⁷
One American Square
P.O. Box 368
Indianapolis, IN 46206-0368
(800) 553-5318

Should any dispute arise about your premium or about a claim that you have filed, write or call your soliciting agent.

YOUR AGENT OF RECORD:

[Name of Agent or TPA]
[Street Address]
[City, State, Zip code]
[Telephone]

If the problem is not resolved, you may also write or call:

Arkansas Insurance Department
Consumer Services Division
1200 West Third Street
Little Rock, Arkansas 72201-1904
(501) 371-2600
(800) 852-5494

This notice of complaint procedure is for information only and does not become a part or condition of this policy or certificate.

**LIMITATIONS AND EXCLUSIONS UNDER THE
ARKANSAS LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT**

Residents of this state who purchase life insurance, annuities or health and accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association (Guaranty Association). The purpose of the Guaranty Association is to assure that policy and contract owners will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of policy owners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted in the box below, this protection is not a substitute for consumers' care in selecting insurance companies that are well managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association (Guaranty Association) may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in this state. You should not rely on coverage by the Guaranty Association in purchasing an insurance policy or contract.

Coverage is *NOT* provided for your policy or contract or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to provide you with this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guaranty Association to induce you to purchase any kind of insurance policy.

**The Arkansas Life and Health Insurance Guaranty Association
c/o The Liquidation Division
1023 West Capitol
Suite 2
Little Rock, Arkansas 72201-1904**

**Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904**

The state law that provides for this safety-net is called the Arkansas Life and Health Insurance Guaranty Association Act (Act). Below is a brief summary of the Act's coverages, exclusions and limits. This summary does not cover all provisions of the Act; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the Guaranty Association if they live in this state and hold a life, annuity or health insurance contract or policy, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of policy or contract owners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are NOT protected by the Guaranty Association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy or contract was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policy or contract owner is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does NOT provide coverage for:

- any policy or contract or portion thereof which is not guaranteed by the insurer or for which the owner has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate;
- dividends and voting rights and experience rating credits;
- credits given in connection with the administration of a policy by a group contract holder;
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- unallocated annuity contracts (which give rights to group contract holders, not individuals).
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation (FPBC) (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentation, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover: The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 - no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or net cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.

January 17, 2013

Ms. Donna Lambert
Department of Insurance
State of Arkansas
1200 West Third Street
Little Rock, AR 72201-1904

Re: Filing of Group Lump Sum Disability Insurance Forms
American United Life Insurance Company - NAIC #60895
Policy G 3702 and Certificate GC 3702(04)
SERFF Tracking Number: AULD-128839335

Dear Ms. Lambert:

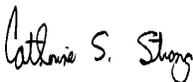
We are writing in response to your January 16 and 17, 2013 Objection Letters. In the order of the items in your letters, our response is as follows:

- 1) Will this certificate provide benefits to an insured's spouse and/or Children? No. All benefits are payable to a Person. If a Person dies before a benefit to which he was entitled is paid, AUL has the right to pay the Survivor.
- 2) Please explain the Recurrent Return to Work Provision. The Recurrent Return to Work Period allows the Employee to return to his regular job/occupation on a full-time basis during the Benefit Eligibility Period without the threat of having to satisfy a new Elimination Period, and start a new Benefit Eligibility Period, should he not be able to remain at work - as long as he becomes disabled again during this period as a direct result of his original injury or sickness. For example, a person is off work because of a back injury. He has met his Elimination Period, is in the middle of his Benefit Eligibility Period and he has a 60 day Recurrent Return to Work Period. After treatment he feels better and decides to return to work. However, after working a couple of weeks, his original injury is worse and he is again unable to perform all the Material and Substantial Duties of his occupation. Since he became disabled again as a result of the same condition during his Recurrent Return to Work Period, his Benefit Eligibility Period would continue as if he had never returned to work. The days that he worked would not extend the length of his Benefit Eligibility Period.

I hope the above answers your question concerning this provision.

Should you have any questions concerning this filing, please feel free to call me at 1-877-285-7660, ext. 1943 or e-mail me at productcompliance.corporatecompliance@oneamerica.com. Thank you for your assistance with this filing.

Sincerely,



Catherine S. Strong
Sr. Contract Analyst
Corporate Contracts and Compliance

State:

Arkansas

Filing Company:

American United Life Insurance Company

TOI/Sub-TOI:

H11G Group Health - Disability Income/H11G.004 Other

Product Name:

Group Lump Sum Disability

Project Name/Number:

/

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
01/08/2013	Replaced 01/16/2013	Form	insert page	01/10/2013	G 3702.11.pdf (Superseded)
01/08/2013	Replaced 01/16/2013	Form	insert page	01/10/2013	GC 3702.11.pdf (Superseded)
01/08/2013	Replaced 01/17/2013	Supporting Document	Statement of Variables	01/10/2013	AR Statement of Variables - 1-8-13.pdf (Superseded)

SECTION 7 – GENERAL POLICY PROVISIONS

AGENCY: For all purposes of this policy, the Policyholder acts on behalf of itself or as agent for the Person. Under no circumstances will the Policyholder be deemed the agent of AUL.

AMENDMENT AND CHANGES: This policy may be amended in writing by mutual agreement between the Policyholder and AUL, but without prejudice to any loss incurred prior to the effective date of the amendment. No change in this policy is valid until approved in writing by the Chief Executive Officer, President, or Secretary of AUL. No agent has the authority to approve coverage, change this policy or waive any of its provisions.

ASSIGNMENT: No assignment of any present or future right or benefit under this policy will bind AUL without its prior written consent and when permitted under applicable laws.

CERTIFICATES: AUL will issue a certificate for delivery by the Policyholder to the insured Persons. The certificate will summarize the Person's coverage under this policy and will state:

- 1) the benefits provided; and
- 2) to whom the benefits are payable.

If there is any discrepancy between the provisions of any marketing materials, plan documents, certificate, and the provisions of this policy, the provisions of this policy will govern.

CLERICAL ERROR: Clerical error on the part of the Policyholder or AUL will not invalidate insurance otherwise in force nor continue insurance otherwise terminated.

CONFORMITY WITH STATE LAWS: Any provision of this policy in conflict with the laws of the state in which it is delivered is amended to conform to the minimum requirements of those laws.

DATA AND RECORDS: The Policyholder must promptly furnish all information that AUL reasonably requires. The Policyholder must furnish all relevant information to AUL about Persons:

- 1) who qualify to become insured or are eligible for benefits;
- 2) whose amounts of insurance change; and/or
- 3) whose insurance terminates.

At any reasonable time, AUL or its representatives shall have the right to inspect the records of the Policyholder that, in the opinion of AUL, may have a bearing on the insurance coverage provided under this policy.

[DISCRETIONARY AUTHORITY: Benefits under this policy will be paid only if AUL (or its third party administrator) decides in its discretion that the Person is entitled to them. Except for the functions this policy explicitly reserves to the Policyholder, AUL reserves the right to:

- 1) manage this policy and administer claims under it; and
- 2) interpret the provisions and resolve any questions arising under it.

AUL's (or its third party administrator) authority includes, but is not limited to, the right to:

- 1) establish and enforce procedures for administering this policy and claims under it;
- 2) determine Participants' eligibility for insurance and entitlement to benefits;
- 3) determine what information AUL reasonably requires to make such decisions; and
- 4) resolve all matters when a claim review is requested.

Any decision that AUL (or its third party administrator) makes, in the exercise of its authority, will be conclusive and final subject to any rights under the Employee Retirement Income Security Act (ERISA). This provision applies only where the interpretation of this policy is governed by ERISA. AUL may delegate some or all of its rights under this Discretionary Authority provision to another person or entity, and AUL hereby desires to share with and delegate rights under this provision to its third party administrator.

SECTION 7 – GENERAL POLICY PROVISIONS

AGENCY: For all purposes of the policy, the Policyholder acts on behalf of itself or as agent for the Person. Under no circumstances will the Policyholder be deemed the agent of AUL.

AMENDMENT AND CHANGES: The policy may be amended in writing by mutual agreement between the Policyholder and AUL, but without prejudice to any loss incurred prior to the effective date of the amendment. No change in the policy is valid until approved in writing by the Chief Executive Officer, President, or Secretary of AUL. No agent has the authority to approve coverage, change the policy or waive any of its provisions.

ASSIGNMENT: No assignment of any present or future right or benefit under the policy will bind AUL without its prior written consent and when permitted under applicable laws.

CERTIFICATES: AUL will issue a certificate for delivery by the Policyholder to the insured Persons. The certificate will summarize the Person's coverage under the policy and will state:

- 1) the benefits provided; and
- 2) to whom the benefits are payable.

If there is any discrepancy between the provisions of any marketing materials, plan documents, certificate, and the provisions of the policy, the provisions of the policy will govern.

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CONFORMITY WITH STATE LAWS: Any provision of the policy in conflict with the laws of the state in which it is delivered is amended to conform to the minimum requirements of those laws.

DATA AND RECORDS: The Policyholder must promptly furnish all information that AUL reasonably requires. The Policyholder must furnish all relevant information to AUL about Persons:

- 1) who qualify to become insured or are eligible for benefits;
- 2) whose amounts of insurance change; and/or
- 3) whose insurance terminates.

At any reasonable time, AUL or its representatives shall have the right to inspect the records of the Policyholder that, in the opinion of AUL, may have a bearing on the insurance coverage provided under the policy.

[DISCRETIONARY AUTHORITY: Benefits under the policy will be paid only if AUL (or its third party administrator) decides in its discretion that the Person is entitled to them. Except for the functions the policy explicitly reserves to the Policyholder, AUL reserves the right to:

- 1) manage the policy and administer claims under it; and
- 2) interpret the provisions and resolve any questions arising under it.

AUL's (or its third party administrator) authority includes, but is not limited to, the right to:

- 1) establish and enforce procedures for administering the policy and claims under it;
- 2) determine Participants' eligibility for insurance and entitlement to benefits;
- 3) determine what information AUL reasonably requires to make such decisions; and
- 4) resolve all matters when a claim review is requested.

Any decision that AUL (or its third party administrator) makes, in the exercise of its authority, will be conclusive and final subject to any rights under the Employee Retirement Income Security Act (ERISA). This provision applies only where the interpretation of the policy is governed by ERISA. AUL may delegate some or all of its rights under this Discretionary Authority provision to another person or entity, and AUL hereby desires to share with and delegate rights under this provision to its third party administrator.

**ARKANSAS
STATEMENT OF VARIABLES
LUMP SUM DISABILITY FORMS**

Unless otherwise noted in the Specific Variables, all bracketed text, including optional features/provisions on the forms and within this Statement of Policy and Certificate Variables, is variable only to the extent that it may be included or omitted according to a policyholder's plan of insurance. Within any provision in the policy and certificate, percentages, amounts and time frames will vary.

Titles of specific Acts or Laws may be modified as appropriate.

Letters and numbers as they appear in a list, punctuation or words such as "and" or "or" will be included or omitted as needed in order to make the statement or list read correctly.

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702 GC 3702(04)	Title Page	Policyholder Name	Self-explanatory variable – bracketed to support case specific information.
		Policy Anniversary & Effective Dates, Annual Company Meeting	Self-explanatory variable fields for each insured person and/or group, allowing for the noted information to be updated as applicable. System generated. Date in fifth paragraph of G 3702 bracketed so new date can be inserted if date of meeting should change.
		Names and Titles of AUL's Officers signing contract	Bracketed for ease in updating as need arises whenever there is a change in an officer or his title – new name and/or title would be inserted and old name and/or title would be deleted.
G 3702.1 GC 3702.1	Table of Contents	Table of Contents	Benefits may or may not appear on page depending on Policyholder selection; all system generated fields. Also allows for insertion of new benefit options in the future w/o renumbering this page – new benefit options would be filed in their entirety.
G 3702.2 GC 3702.2	Section 1 – Schedule of Benefits	Eligible Class	Most Common Class is "Full Time Participants". Policyholder may elect other class descriptions such as "Full Time Hourly Participants" or "Full Time Salary Participants". Whatever group description is used would be an eligible group under the applicable law.
		Class Number/Option	Numbers would start with 1 and run consecutively to cover the number of classes in the group.
		Lump Sum Disability Benefit Amount	Three payment options are available. The Lump Sum Benefit could be: <ol style="list-style-type: none"> 1) a flat amount between \$1,000 and \$1,000,000; 2) a flat amount available in \$500 - \$3,000 increments (standard being \$1,000 increments) with a minimum payment of \$1,000 and a maximum of \$1,000,000; or 3) the Policyholder could elect up to 10 different benefit amount options for the employee to choose from. Each benefit amount would range from \$1,000 to \$1,000,000. <p>Only the benefit amounts elected by the Policyholder would print in the policy and only the benefit amount pertaining to a particular class would print in the certificate for that class.</p>

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702.2 GC 3702.2 (continued)	Section 1 - Schedule of Benefits (continued)	Policy Month	The standard options are the first day of the month and the last day of the month. However, both the “first” and “last” day could be changed to any day of the month, depending on the Employer’s election
		Reductions	The intent is that the reductions displayed in a table format on the Schedule of Benefits will be standard. However, there may be instances where the ages, percentages, and display of the reductions may vary. In all display options of the reductions, the ages for which reductions apply may range from ages 40 and above and the number of age bands with age reductions may also vary. The number of ages in each age band is expected to be at least 5 (quinquennial age bands). The reduced benefit percentage (reduce to) may range from [95% - 0%]. Conversely, the reduction percentage (reduce by) = 100% - reduced benefit percentage and can range from [5% - 100%]. In very rare instances when the reduction is requested to be a specific dollar amount rather than a percentage, the reduced amounts can range from [\$1,000 - \$1,000,000] depending on the selected plan benefit levels.
		Scheduled Enrollment Period	Standard is 90 days. Range is 30-120 days.
G 3702.3 GC 3702.3	Section 2 - Definitions	Active Work and Actively At Work (second and third paragraphs)	Policyholder may choose Regular Occupation, Regular Job option. Only option elected by Policyholder will appear.
		Disability and Disabled	Policyholder may choose Regular Occupation, Regular Job or any occ definition. All variables are indicated in the contract.
G 3702.3/1 GC 3702.3/1	Section 2 - Definitions	Guaranteed Increase in Benefit (GIB)	Bracketed to allow item to move in or out depending on Employer election. System generated field.
		Life Event Benefit (LEB)	Bracketed to allow item to move in or out depending on Employer election. System generated field.
G 3702.3/2 GC 3702.3/2	Section 2 - Definitions	Permanent and Total Disability and Permanently and Totally Disabled	Bracketed in case the Employer would choose to have different criteria other than what we would consider to be standard thus eliminating the need for so many one-case filings. Range of months in 1) is 12-36 with the standard being 24. Changes would require underwriting approval. Employer would elect occupation variable as indicated in item 1).
G 3702.3/3 GC 3702.3/3	Section 2- Definitions	Pre-existing Condition	Various durations offered (also see Schedule of Benefits page) as allowed by state law and plan design; system generated field.
		Regular Attendance	Bracketed for ease in making Employer-requested changes with underwriting approval. .
		Regular Job	Bracketed to allow item to move in or out depending on Employer election. System generated field.
G 3702.3/4(04) GC 3702.3/4(04)	Section 2- Definitions	Regular Occupation	Bracketed to allow item to move in or out depending on Employer election. System generated field.
		Treatment Free	Bracketed to allow item to move in or out depending on Employer election. System generated field.
		Waiting Period	Sentence starting “Part time employees will receive credit for the number of continuous days worked . . .” is bracketed to allow item to move in or out depending on Employer election - system generated field.

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702.4 GC 3702.4	Section 3 – Eligibility and Individual Effective Date	Eligibility Date	Self-explanatory variable fields. Only variables elected by Employer will appear. System generated fields.
G 3702.4-1 G 3702.4-1/1 GC 3702.4-1 GC 3702-4-1/1	Section 3 – Eligibility and Individual Effective Date	Late Enrollee	Self-explanatory variable fields. Only variables elected by Employer will appear. System generated fields.
		Eligibility Date	Self-explanatory variable fields. Only variables elected by Employer will appear. System generated fields.
		Enrollment/Initial Enrollment Period	Bracketed in case the Employer would choose to have different criteria other than what we would consider to be standard thus eliminating the need for so many one-case filings. Changes would require underwriting approval.
		Scheduled Enrollment Period	Entire section bracketed to allow it to move in or out depending on Employer election. Items b), c), d) and e) are bracketed to allow each item to move in or out depending on Employer election. System generated fields.
		Delayed Enrollment Period.	Entire section bracketed to allow item to move in or out depending on Employer election. System generated field.
		Evidence of Insurability	Items 1) and 5) are always applicable. Items 2), 3), 4) are bracketed to allow each item to move in or out depending on Employer election - system generated fields.
G 3702.5 GC 3702.5	Section 3 – Eligibility and Individual Effective Date	Individual Effective Date of Insurance (Initial Participant)	Four options are listed and each is bracketed. While multiple options may appear in the policy, on the option elected by the Policyholder will appear in the certificate for each class. All options not elected by the Policyholder will be deleted in their entirety. Item 2)b) includes a variable for the Date of Insurance for an eligible New Participant. This can be either 1) the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month or 2) the first day of the next Coverage Month following the Participant's Date of Hire. Only the option elected by the Policyholder will appear. All fields are system generated.
G 3702.5/1 GC 3702.5/1	Section 3 – Eligibility and Individual Effective Date	Individual Effective Date of Insurance (New Participant)	Four options are listed and each is bracketed. While multiple options may appear in the policy, on the option elected by the Policyholder will appear in the certificate for each class. All options not elected by the Policyholder will be deleted in their entirety. Item 2) includes a variable for the Date of Insurance for an eligible New Participant. This can be either 1) the date of the request if that date is the first day of a Coverage Month; otherwise it is the first day of the next Coverage Month or 2) the first day of the next Coverage Month following the Participant's Date of Hire. Only the option elected by the Policyholder will appear. All fields are system generated.
		Late Enrollee	Bracketed to allow item to move in or out depending on Employer election. System generated field.

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702.6 G 3702.6-1 G 3702.6-2 GC 3702.6 GC 3702.6-1 GC 3702.6-2	Section 4 – Changes in Insurance	Effective Date of Change	There are 6 options: 1) Immediate and GIB; 2) First of the Coverage Month and GIB; 3) Anniversary and GIB; 4) Anniversary and No GIB; 5) First of Coverage Month and No GIB; and 6) Immediate and No GIB. All sections are bracketed in their entirety to allow sections to move in or out depending on Employer election. Only section(s) elected by Employer will appear. Language in 3 rd paragraph of each section stating “(except a Person on an Employer-approved leave of absence other than for Sickness or Injury)” would only be included if elected by the Employer (continued coverage during leave of absence). The last paragraph on each of these pages would only appear if applicable. All fields are system generated.
G 3702.6/1 GC 3702.6/1	Section 4 – Change in Insurance	Changing Lump Sum Disability Options	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field.
		Decreasing the Lump Sum Disability Benefit Amount	Options in the first paragraph are employer elections and only elected option will appear. The last paragraph on this page would only appear if applicable. All fields are system generated.
G 3702.6-3 G 3702.6-3/1 GC 3702.6-3 GC 3702.6-3/1	Section 4 – Changes in Insurance	Guaranteed Increase in Benefit	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field. Age range in item 1) is 60-90 with the standard being 65. Item 6) is bracketed to allow item to move in or out depending on Employer election - system generated field. The range of years in item 7) is 1-12 with 6 being the standard. Age range for reductions is 60-90 with the standard being 65.
		Automatic GIB Provisions	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field.
		Coverage Amounts Requested in Excess of the Guaranteed Increase in Benefit	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field.
G 3702.6-4(04) GC 3702.6-4(04)	Section 4 – Changes in Insurance	Life Event Benefit	Entire section bracketed to allow item to move in or out depending on Employer election. “Person” and “Late Enrollee” options are variable depending on the election of the Employer. All fields are system generated. Day range in e) is 30 – 120 with the standard being 90. The age range in 3) is 60-90 with the standard being 65. The last paragraph may only be omitted with underwriting approval.
G 3702.7 GC 3702.7	Section 5 – Terminations	Individual Termination	Items 2) and 8) allow Policyholder to elect terminations to occur either immediately or at the end of the coverage month following the date of termination. Items 8) c) – waiver of premium, d) – continued coverage during leave of absence, and e) – continued coverage during layoff and item 9) – the date a Person enters Military Service are bracketed to allow items to move in or out depending on Policyholder elections.
		Termination of the Policy	Items 5) and 6) - The 31-day notice is standard and bracketed to allow changes per state specific variables as required by laws & employer requests for longer periods. Range is 15 days - 90 days

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702.8 G 3702.8/1 GC 3702.8 GC 3702.8/1	Section 5A – Individual Reinstatement	Individual Reinstatement	The 31-day notice in the first paragraph is standard and bracketed to allow changes per state specific variables as required by laws & employer requests for longer periods. Range is 15 days - 90 days. Items c) and d) are bracketed to allow item to move in or out depending on Employer election. Only option elected will appear. Time variables in these two sections are self-explanatory. These fields are system generated. Item 3) a) indicates an option of either immediate or first of the coverage month. Only option elected by Employer will appear – field is system generated. Item 5) will only appear if Employer does not elect cont. during a leave of absence for military duty. Field is system generated.
G 3702.9 GC 3702.9	Section 5B – Continuation of Personal Insurance Under FMLA	Continuation of Personal Insurance Under FMLA	Item 10) will only appear if Employer does not elect cont. during a leave of absence for military duty. Field is system generated.
G 3702.9-1 GC 3702.9-1	Section 5C – Continuation of Personal Insurance During a Leave of Absence or Temporary Layoff	Heading and Footer	Provision bracketed so that may include continuation during a Leave of Absence and/or Temporary Layoff depending upon the Policyholder’s election.
		Leave of Absence	Definition may or may not include temporary layoffs depending upon the Employer’s election.
		Continuation of Personal Insurance While Temporarily Laid Off	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field. Employer can elect for benefit to be continued to the end of the coverage month or a specified time periods. Variables are self-explanatory and system generated.
		Continuation of Personal Insurance Under a Leave of Absence	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field. Employer can elect for benefit to be continued to the end of the coverage month or a specified time periods. Variables are self-explanatory and system generated. Item 10) will only appear if Employer does not elect cont. during a leave of absence for military duty - system generated field.
G-3702.10 GC 3702.10	Section 6 – Premium Payment	Premium Rates	Item 1) – Standard is two years, but one, two, three, four or five years may be negotiated by underwriter and employer. Field is system generated. 31-day advance notice of rate change is standard, but varies according to various state laws & employer -negotiated longer periods of time with approval from underwriter; system generated by state of issue. Range is 31 days - 100 days. Item 3) Item 3) - Percentage is standard & bracketed for ease in change due to state law requirements and/or company procedural changes. Standard is 10%. Range is 10%-30%.
		Waiver of Premium Benefit	Two variations (one for contributory contracts and one for non-contributory contracts) are available and are reflected within the provision. Entire section is also bracketed to allow provision to move in or out depending on Employer election. All fields are system generated.
G 3702.11 GC 3702.11	Section 7 – General Policy Provisions	Discretionary Authority	Standard provision bracketed for ease in making company procedural changes and/or state required variations – including removal of entire provision if state requires.
G 3702.12 GC 3702.12	Section 7 General Policy Provisions	Grace Period	Number of days bracketed to allow state variations as necessary, per state law. Standard is 31 days. Range is 10-60 days.
		Insurance Fraud	Standard provision, bracketed for ease in making state required variations and/or company procedural changes.

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702.13 GC 3702.13	Section 7A – Claim Procedures	Initial Notice of Disability	Initial Claim Form – Standard 90-day return of proof to AUL bracketed to allow for state specific variations required by law. Range is 60 –180 days.
		Claim Forms for Proof of Loss	Providing claim form – Standard 15 day turn around shown. Range: 15-20 days. . Additional Claim requests – Standard 30 day turn around shown. Range is 20-45.
		Legal Action	Items 1 & 3 - 60 days/3 yrs are bracketed to allow for sate variations; fields are system generated. Ranges are 60-90 days/3-6 years.
G 3702.13-1 GC 3702.13-1	Section 7A – Claim Procedures	Right to Appeal	Provision bracketed to allow state variations as necessary, per state law.
		Arbitration	Provision filed as mandatory/non-binding & bracketed to allow state variations as necessary, per state law.
G 3702.13-2 GC 3702.13-2	Section 7A – Claim Procedures	Right of Recovery	Entire section bracketed to allow item to move in or out depending on Employer election.
G 3702.14 GC 3702.14	Section 8 – Insuring Provisions	Recurrent Return to Work Period	Employer may elect either Regular Occupation or Regular Job.
G 3702.14/1 GC 3702.14/1	Section 8 – Insuring Provisions	Death of a Person	Standard benefit is 10%. Range is 10% - 100%.
G 3702.15 GC 3702.15	Section 9 – Exclusions	Pre-Existing Condition Exclusion	Policyholder may elect either the “standard” Pre-Existing Condition Exclusion or the “Treatment Free” Pre-Existing Condition Exclusion. Both options may appear in policy if Policyholder elects different options for different classes. The certificate will only contain the option that pertains to a specific class. All variables within the options are indicated in the text. The entire section is also bracketed to allow the section to be removed if the Policyholder elects to not have a Pre-Existing Condition Exclusion.
G 3702.15/1 GC 3702.15/1	Section 9- Exclusions	Pre-Existing Condition Exclusion	Entire section bracketed to allow item to move in or out depending on Policyholder election. This section would only appear if the contract is replacing a prior plan of franchise coverage.
G 3702.16 GC 3702.16	Section 9 – Exclusions	Entire Page	Entire page bracketed to allow it to move in or out depending on Policyholder election - system generated field.
		Pre-Existing Condition Exclusion on an Increased Benefit or Guaranteed Increase in Benefit	Entire section bracketed to allow it to move in or out depending on Policyholder election - system generated field. The provision will only apply to Guaranteed Increase in Benefit if the Policyholder elects that option. All other variables are included in the text of the policy and certificate submitted for approval.
		Pre-Existing Condition Exclusion on an Increased Benefit When Changing Carriers	Entire section bracketed to allow it to move in or out depending on Policyholder election - system generated field. All other variables are included in the text of the policy and certificate submitted for approval.
		Pre-Existing Condition Exclusion For a Change in Options	Entire section bracketed to allow it to move in or out depending on Policyholder election - system generated field. All other variables are included in the text of the policy and certificate submitted for approval.

FORM NUMBER	SECTION TITLE	PROVISION/ DESCRIPTION	BRACKET EXPLANATION/VARIABLES
G 3702.17 GC 3702.17	Section 10 - Limitations	Drug and Alcohol Abuse Limitation	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field. Standard benefit is 20%.
		Mental Illness Limitation	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field. Standard benefit is 20%.
		Special Conditions Limitation	Entire section bracketed to allow item to move in or out depending on Employer election - system generated field. Standard benefit is 20%.
G 3702.18(04) GC 3702.18(04)	Section 11 – Continuity of Coverage	Continuity of Coverage	Entire section bracketed to allow item to move in or out depending on Policyholder election - system generated field. All variables are shown in contract and are self-explanatory.
G 3702.18/1 GC 3702.18/1	Section 11 – Continuity of Coverage	Benefits payable for Permanent and Total Disability Due to a Pre-Existing Condition	This entire page is bracketed as it would be omitted if the contract is replacing a prior plan of franchise coverage. The language in the fourth paragraph is bracketed in order to allow it to move in or out depending on Policyholder election and to reduce the need for one-case filings.
G 3702.19 GC 3702.19	Section 12 – Portability Privilege	Portability Privilege	Paragraph 1 – both variables have a range of 6 – 24 months with 12 months being the standard. Paragraph 2 – range is 20% – 90% with the standard being 50%. Paragraph 5) item 8) variable has a range of 6-24 months with 12 months being the standard. The entire provision is bracketed to allow it to move in or out depending on Policyholder election.

December